

# Social Order

NATIONAL GROWTH

OR STABILITY

Francis J. Corrigan

MARCH 1959

40c

## AMERICAN CATHOLIC OVERSEAS AID

Edward E. Swanstrom

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## THE PREVALENCE of PEOPLE

John L. Thomas

•

Books • Comments • Letters

MONTHLY OF NATIONAL JESUIT SOCIAL SCIENCE CENTER

# Social Order

Vol. 9

No. 3

MARCH

1959

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Subscription rates: \$4 a year, \$7 for 2 years, \$9 for 3 years. Single copy, 40c. Please allow one month for change of address.

## ... just a few things:

IN INVITING PÈRE JARLOT to describe the history, purpose and structure of Christian trade unions SOCIAL ORDER was interested exclusively in broadening the understanding of its readers of a significant social manifestation of European Catholicism. There was no suggestion that such quasi-confessional forms are apposite for the American environment. Père Jarlot explicitly recognized this fact. Father Latchford explains in good measure on another page of this issue why this is so.

The American labor movement—whose policies recently won the praise of the Vatican radio—was severely censured last year by a handful of priests who were in turn answered by Mr. A. Vanistendael, General Secretary of the International Federation of Christian Trade Unions, in an article in the April, 1958 issue of *Labor*, the IFCTU's official bulletin.

Deploring the endorsement of "Right to Work" laws by Father John E. Coogan, S.J. at the annual convention of the National Association of Manufacturers, Mr. Vanistendael noted a further point in the Jesuit's indictment:

Father Coogan also claimed that the neutrality of the American trade union movement, closely tied up as it is with compulsory affiliation, proves, in fact, to be of an extremely materialistic and secular character and that, from a moral and religious point of view, it has already caused great harm to the workers.

The General Secretary of the IFCTU disagreed:

... it always appeared to me that the principles on which the American trade union is based, far from being discrepant from those of the Christian social doctrine, are, to a large extent, in keeping with them.

The Christian trade union leader found support for his belief in a statement of George Meany when he was given the "Rerum Novarum" Award by St. Peter's Institute of Industrial Relations on May 14, 1956:

I would like to say that the Encyclicals, beginning of course with the one on May 15, 1891, by Leo XIII, have guided the American labor movement down through the years, because they fit in perfectly with the American scheme of things.

Daniel Bell, labor editor of *Fortune*, asserted in *USA: The Permanent Revolution*:

Never have left-wing ideologies had so little influence on the American labor movement as they have today . . . If there is any ideological influence in American labor today, it is Catholic union theory—spread by a growing number of labor priests and Catholic labor schools.

All of this being so, Mr. Vanistendael wonders

. . . why it is that the American trade union movement refused to cooperate at the international level with other national organizations whose activity is also based on Christian principles, whereas it is willing to cooperate with organizations whose activities are inspired by a materialistic and socialist conception of life.

The reference is to the American labor movement's systematic neglect of Christian trade unions in Europe and, more concretely, to its exclusive co-operation with socialist oriented unions in the International Confederation of Free Trade Unions.

A history of competing jurisdictions and a desire for neatness of structure—along with inevitable politics—are the answer. But there is not much logic in the AFL-CIO's ignoring of its ideological allies, the Christian trade unions.

E.D., s.j.

**A**S THE "GREAT DEBATE" over the economy continues in Congress these next few months, some words Charles Dickens used to describe Europe a century and a half ago may begin to describe the sentiments of the opposing sides:

"It was the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness . . . it was the spring of hope, it was the winter of despair."

When feelings are running high, such extreme judgments may even seem bland. Congressional passions are presently engaged with the implications of two phrases—economic growth and fiscal integrity. A giant struggle for political power is now being waged in the 86th Congress around the meaning of those words.

The battle lines are forming: President Eisenhower and a handful of conservative Republican and Democratic lawmakers are arrayed against a larger and more articulate group of liberal Democrats and "modern" Republicans. The unresolved issue between them: How can the nation use its resources better to solve the pressing economic problems.<sup>1</sup> Over the coming months, this contest of executive versus legislative leadership is bound to spread and intensify as 1960 and the Presidential sweepstakes draw nearer.

The widening disagreement between these two groups over the question of how fast the economy can grow without inviting ruinous inflation underlies one of the most quarrelsome Congressional openings in years. The ink

<sup>1</sup> See T. O. Yntema, "Our Long-Run Internal Problems," *Saturday Review*, Jan. 17, 1959, p. 18.

## The Implications of Three The State of the

# National

was hardly dry on Mr. Eisenhower's three January messages to Congress—the State of the Union, the Budget and the Economic Report—before his economic plans for the nation's course were denounced in liberal<sup>2</sup> circles as "inadequate."

At the center of this debate over economic growth lies one of the most vexing questions of a free and capitalistic economy. In order to understand the dimensions of this problem of economic growth, it is necessary to look into the past to determine what economic progress the nation has made. Over the past 50 years, the average annual rate of economic growth has been approximately 3 per cent. During the busy days of the postwar period of 1947-53 the rate was nearly 5 per cent. During the past six years the economy has been growing at a rate of not quite 2 per cent a year.

Specifically, it is the limited progress of the past few years which bothers the liberals. As a recent study con-

<sup>2</sup> The terms "liberal" and "conservative" as employed in this article refer to the greater or lesser emphasis placed on the role of government in the economy. Such a restricted use, the author hopes, leaves him relatively free of the controversy attendant on more sophisticated definitions (see "... just a few things," *SOCIAL ORDER*, 9 (February, 1959), p. 49).

Presidential Messages to Congress:  
Union, the Budget and the Economic Report

# Growth or Stability

FRANCIS J. CORRIGAN

ducted under President Truman's former economic adviser, Leon Keyserling, points out, the social and economic costs of this limited growth rate have been staggering.<sup>3</sup> From the end of the Korean War through first quarter 1958, as Mr. Keyserling explains, the nation lost by default about \$110 billion in total production and about 9 million man-years of employment. As a result, Mr. Keyserling believes that the average multiple-person family income has totaled about \$2,000 less than it should have, to say nothing of the \$26 billion in revenue the federal government has never seen.

### Government spending the answer?

Mr. Keyserling and other liberals believe the salvation of this unhappy condition lies in increased government spending which in turn will speed economic growth, stop price inflation, balance the budget and even reduce the role of government in our lives. The liberal rationale runs something like this:<sup>4</sup>

1. The federal government, tapping the tills of the Federal Reserve Banks to borrow at low cost, will put more money into circulation;
2. With more money in their hands, people will buy more goods;
3. More people will be hired to increase production;
4. Manufacturers and merchants will make larger earnings at unchanged prices while paying higher wages, because higher rates of activity will spread overhead costs;
5. Business, also tapping the cheap money till, will spend more to expand capacity and improve facilities, thus shaving costs and speeding economic growth;
6. Increased incomes and profits will sharply increase tax revenues and balance the budget;
7. Private enterprise will be so stimulated by increased government spending that the proportion of government spending in the Gross National Product may even decrease.

Conservatives feel that the Keyserling formula for "operation bootstrap" is a prescription for madness. Mr. Eisenhower, for example, believes that a marked step-up in the indicated growth of the economy or in the space-age missile race would expose the nation to runaway inflation. He warns

<sup>3</sup> Conference on Economic Progress. "The Recession—Cause and Cure," Washington, D. C. June, 1958, p. 2.

<sup>4</sup> The First National City Bank Monthly Letter, January, 1959, p. 5.

Professor Corrigan is Director of the Department of Management at Saint Louis University.

"the spenders" that "economic progress and fiscal integrity are interdependent and inseparable." In his eyes, a beefed-up rate of growth based on red-ink financing is both unhealthy and irresponsible.

### **Growth threatens inflation?**

The President's economic advisers question whether the nation can at this time safely work its way to a much higher level of economic development. Given our present inflationary bias, they frankly wonder whether it is possible for the country to bring about a much higher rate of productivity without creating at the same time a boom which tends to inflate all prices, including wage costs, faster than productivity increases.

The liberals are willing to accept these inflationary risks in order to neutralize what they regard as the greater threat: inadequate economic growth and the Soviet conquest of space. Convincing that since the nation must grow the government must grow along with it, liberals are pushing vigorously for bigger federal expenditures on a broad front. Those opposed to the President believe strongly that the economy can be induced to grow at an average rate of 3 per cent. They believe sincerely that this rate is indispensable if the country is going to handle intelligently the many complex problems of providing a strong national defense as well as meeting the needs of a rapidly growing and increasingly urbanized population.

The Economic Report is a good place to trace the genesis of Mr. Eisenhower's economic philosophy. In this document the President made price stability the very heart of his

program for economic growth. The President indicated that "an indispensable condition for achieving vigorous and continued economic growth is firm confidence that the value of the dollar will be reasonably stable in the years ahead."

The President noted in his Economic Report that the outlook is good for a continuation of the business recovery in 1959 but he warned that economic growth might be damaged unless "increases in wages and other costs are held within limits consistent with reasonable stability of consumer prices." And if these limits are not observed, the President warned that "the alternatives are either inflation, which would damage our economy and work hardship on millions of Americans, or controls, which are alien to our traditional way of life."

The President noted that business, consumers and organized labor all have a role to play in maintaining price stability.

Business, he said, must make sure it keeps prices low enough to maintain wide and growing markets. These, in turn, lead to more economies and still lower prices. As part of a "ceaseless war against costs," the President urged businessmen to hold the line against wage increases that surpass productivity.

Individual consumers can do their part in holding down the cost of living, he added, by shopping carefully for price and quality.

Organized labor received the sharpest Presidential advice in the Report. Union officials, "in view of the great power lodged in their hands, have a particularly critical role to play" in

helping to hold prices down, the President declared. And he warned that wage increases which exceed the bounds of productivity are "inevitably inflationary and self-defeating."



If prices exhibit a tendency to rise unduly as the recovery proceeds, the Economic Report indicates that the independent Federal Reserve System would be expected to move toward more restrictive credit policies.

In summary, the operative ideas urged by Mr. Eisenhower on labor and management as a means of achieving growth with stability are "self-discipline" and "restraint"; for the government, his advice is "prudent conduct of its financial affairs."

The President's Report has been assailed in many circles.

Labor leaders called it a "blueprint for stagnation." A statement released by the Economic Policy Committee of the AFL-CIO emphasized that:

1. The unions' drive for wage increases would go forward.
2. These increases would be translated into needed improvements in purchasing power.
3. The President had virtually ignored "the nation's most immediate national economic problem—the continuing high level of unemployment."
4. He had gone "out of his way" to cite the responsibility of union leaders in maintaining price stability.
5. The federation was also committed to fight inflation but believed the way to do it was to put idle capacity to work.

<sup>8</sup> *New York Times*, January 23, 1959.

MARCH, 1959

The Economic Report was also criticized in some business circles. The conservative magazine, *Business Week*, questioned whether the President had struck the right balance:

The economic report itself expresses concern about the needs for growth in many areas ranging from education to water resources to keep pace with the rapid rise in the U. S. population. Further, the nation is still operating well below its capacity, and over 4-million workers are still unemployed. Except rhetorically, the report has very little to offer that is new to support these growth needs.

Basically, the President's economic report, like his budget message is, in Budget Director Stans' apt phrase, "a hold-the-line" document. That is a worthy objective, but a somewhat limited one for a great nation.<sup>6</sup>

### Is exhortation enough?

Another observer questioned whether the noble sentiments expressed in the Report, the exhortations to labor and management to practice economic statesmanship really would work. Monsignor George G. Higgins, Director of the Social Action Department, National Catholic Welfare Conference, asserted that the nation could not rely exclusively on competition or moral suasion as the guiding principle of economic life unless we are prepared or willing to accept permanent inflation. Monsignor Higgins thought that the President might have made some reference or gesture in the report towards encouraging labor and management to start thinking and planning more in terms of a system of self-government as opposed to relying exclusively on the market place and moral admonitions.<sup>7</sup>

<sup>6</sup> *Business Week*, January 24, 1959, p. 120.

<sup>7</sup> "The Yardstick," in the Catholic diocesan papers of January 16, 1959.

## The budget program

This disparity of economic philosophy between the conservative caution of "go slow" and the liberal battle-cry of "go ahead" is also seen quite sharply in the federal budget for the 1960 fiscal year.

In that bulky document, President Eisenhower has outlined his plans to the American people for a \$77 billion spending program. As the Chief Executive states in his financial blueprint, if Congress will hold the line on spending and keep federal outlays below the \$77 billion Maginot Line he has erected around his legislative program, the nation's taxpayers can look forward to a slender surplus of \$70 million and a possible tax cut "in the reasonably foreseeable future."

The Eisenhower budget, as compared with current spending, breaks down (in \$ billions) as follows:

	1959	1960
National Security	\$46.1	\$45.8
International	3.7	2.1
Veterans	5.2	5.1
Labor and Welfare	4.4	4.1
Agriculture	6.8	6.0
Natural Resources	1.7	1.7
Commerce and Housing	3.5	2.2
General Government	1.7	1.7
Interest	7.6	8.1
Contingencies	0.2	0.1
Totals	\$80.9*	\$77.0*

\*Rounded to nearest tenth.

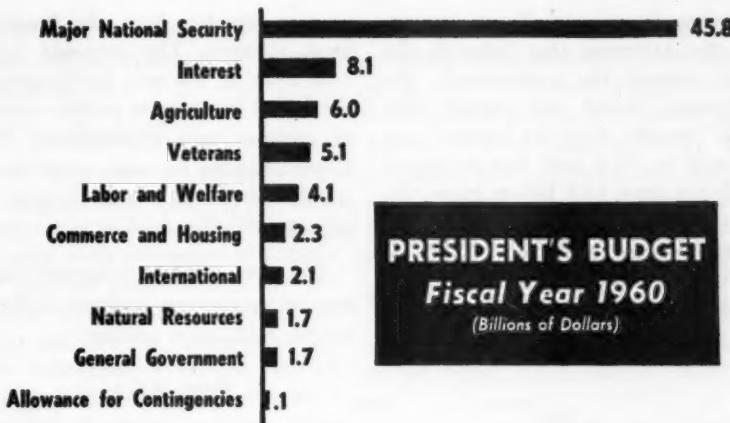
As the above figures indicate, the proposed budget calls for a \$3.9 billion slash below the spending level expected for the current fiscal year ending June 30, 1959. A large part of this reduction comes from "non-recurring" or automatic reductions approved earlier

by Congress and not from any pronounced change in basic spending policies. For example, \$1.4 billion of the estimated reduction comes from a proposed United States contribution to the International Monetary Fund to be made in the current fiscal year instead of in 1960. Another \$1,250 million saving is represented by the expiration of the supplementary unemployment benefits program and the termination of some recession-inspired housing programs. Many fiscal experts question whether these and other financial gymnastics proposed in the budget really represent genuine savings at all.

It is true that Mr. Eisenhower is calling for some reductions in existing federal programs. Against two politically sensitive groups—the veterans and the farmers—the President has suggested some revisions. With veterans' benefits now running more than \$5 billion a year, the President is calling particularly for some modification "of the benefits provided to veterans and their families for disability or death not resulting from or related to military service." Over \$200 million has also been cut in estimated farm price-supports. Mr. Eisenhower is counting on less bountiful yields from nature in an attempt to hold down the cost of this expensive program which critics now describe as "completely out of hand."

While the budget may be called balanced, it enjoys that designation only temporarily. In the months to come the precariously balanced, "hold-the-line" document is sure to be attacked and broken on two fronts: higher expenditures and lower receipts.

On the spending side, the liberal strategy will be to challenge the Presi-



**PRESIDENT'S BUDGET**  
**Fiscal Year 1960**  
*(Billions of Dollars)*

dent in a series of separate fiscal engagements on fields of their own choosing. Housing, aid-to-education, airport construction and other "must" programs are likely to be some of the important areas where Congress will risk Presidential vetoes by approving bigger—and more expensive—programs of their own.

Arms and space legislation is a good case in point. In that vital area, the liberals have already stepped up their drum-beat of criticism against existing Administration assurances that all is well with our defense posture and that we are spending all that is practical or necessary. The \$77 billion spending limit is sure to be pierced in this one area alone by Congressional insistence upon larger appropriations for our space and missile programs.\*

On the revenue side, the situation is uncertain. In order that expenditures might be balanced with receipts, the President has proposed, among other things, to increase gasoline taxes 50 per

cent, to hike postal rates again—to raise taxes on airplane fuel while imposing a similar tax on jet fuels. The present tax of 52 per cent on corporate income and the excise taxes on automobiles and parts, cigarettes, distilled spirits and wines and beer are to be continued.

In addition to these politically unpopular measures, the Administration is counting upon the economic recovery to gain enough momentum over last year's recession to increase Treasury revenues nine billion dollars in a single year. The promise and expectation of a solid and sustained rise in business activity from now through calendar 1959 is the foundation upon which the President is basing his fiscal strategy.

#### **Budget controversial**

Depending upon one's political persuasion, the "too much" or "too little" tag can very well be applied to the President's budget.

Some conservatives, recalling the tradition set by Grover Cleveland in 1887 when he vetoed a Congressional appropriation of \$25,000 to buy seed for

\* See Gen. T. R. Phillip's article, "The Growing Missile Gap," *The Reporter*, January 8, 1959.

some drought-stricken Texas farmers with the statement that "though the people support the government, the government should not support the people," wonder why this budget is as high as it is. It is true that estimated spending is some \$3.9 billion below the estimate for the current fiscal year. As conservatives are quick to point out, that figure would still be some \$5.1 billion above 1958 and \$12.4 billion above 1955. Conservatives are in fact begin-

ning to wonder about the President's fiscal acumen. The proposed budget (the sixth he has sent to Congress) is the fourth in a row to predict a surplus of receipts over expenditures. That happy situation has eventuated in only one of the previous three budgets submitted.

The government's budgetary experience in recent years is shown in the following table in \$ billions:

	Income	Outgo	Deficit or Surplus	Debt
1951	\$ 47.6	\$ 44.1	+ 3.5	\$ 255.2
1952	61.4	65.4	- 4.0	259.1
1953	64.8	74.3	- 9.5	266.1
1954	64.7	67.8	- 3.1	271.3
1955	60.4	64.6	- 4.2	274.4
1956	68.1	66.5	+ 1.6	272.8
1957	71.0	69.4	+ 1.6	270.5
1958	69.1	71.9	- 2.8	276.3
1959 (est)	68.0	80.9	- 12.9	285.0
1960 (est)	77.1	77.0	+ 0.1	285.0

### Where the saving?

Conservatives insist that if the President is serious about holding the line on federal spending, he is declaring his Olympian intentions from a very low threshold. If he is horrified, they argue, by the specter of fiscal imprudence represented by present day spending, he has traveled no great distance on the economy road.

Conservatives feel, too, that the President is guilty of a "fiscal split personality" in that he wishes to travel two sides of the street at once. This ambivalence, this wavering between economy on the one hand and a determination to keep almost all of the old federal spending programs on the

other, is sure to unleash new spending pressures in the future.

The budget's ambivalence is perhaps best illustrated in the matter of public works. With a certain pride, the budget message declares the aim to "carry forward current public works programs—now larger than ever before . . . Federal expenditures for civil works in fiscal 1960 will be the highest in history." Yet the economy side of the President quickly adds: "It therefore seems both possible and prudent to take a breathing spell in the initiation of new projects." Yet, again, the spending side snaps back: "The continued outlays for reclamation, flood control and navigation projects is estimated to

be higher than ever before in 1960. Expenditures are expected to increase again in fiscal 1961."<sup>9</sup>

### Budget insufficient?

Liberals were quick to pin the "too-little" label on the new budget. Their strongest criticism is that the budget is out of step with the needs of today's world. Liberals resent particularly the Eisenhower approach to budget making. They do not like the Administration's way of slide-ruling a certain rate of business growth, deducting therefrom a certain level of receipts and then shoe-horning all expenditures into the resulting budgetary total. The liberals reserve their strongest strictures for the idea of putting pocketbook before people, of measuring the national effort by what the present growth rate of the economy and the present tax structure can support. The liberals feel that this approach is all wrong. The process, they insist, must be turned the other way around. The growth rate, the budget and the tax structure must be planned to support such a level of national effort as is required by the exigencies of our situation. They maintain that we must spend as much as is needed for security and for meeting the many domestic problems at home and then, and only then, must ways and means be devised of paying for it.

To many a conservative, the liberal approach to budget making implies deficit spending, higher taxation and further erosion of the dollar's purchasing power. To the conservative, the liberal thesis that the way to fight inflation is to inflate makes economic nonsense.

For example, say the conservatives,

<sup>9</sup> *The Wall Street Journal*, January 21, 1959, p. 12.

suppose the government by stepped-up spending could promote a growth rate of at least 5 per cent a year—a rate calculated to give us a Gross National Product of \$600 billion a year by 1964—would we be any better off? By that time, federal spending would have jumped to \$96 billion a year or nearly \$20 billion higher than is now contemplated for fiscal 1960. Given this annual growth rate, would inflation then still be a problem? Liberals are inclined to say "No", conservatives "Yes."



Conservatives say that this pretty picture is completely out of focus because budget deficits (the federal government has spent more than its annual revenue 15 times out of the past 20 years) have been one of the main reasons why the dollar has lost more than half its purchasing power in the past generation.<sup>10</sup>

Conservatives point out that government spending is illusory in that it represents largely non-productive demand competing with productive de-

<sup>10</sup> For a different view, that future increases in the federal debt, if limited to reasonable proportions, and if financed sensibly in the light of prevailing financial conditions, should be manageable and need not necessitate or create a presumption of inflation, see *Monthly Review*, Federal Reserve Bank of Saint Louis, January, 1959, p. 6.

mand and, as a result, pushes at the ceiling of available supplies. The blindest spot in the liberal picture, conservatives point out, has to do with the growth rate of national production. Government spending itself forms part of the Gross National Product. Thus, if federal spending is boosted, so conservatives argue, the G.N.P. is also boosted without necessarily having increased national production a bit.<sup>11</sup>



Old-line conservatives recoil with horror at the uneasy prospect of more federal spending, more unbalanced budgets and more bureaucracy. They insist that the country's age-old slogan "as sound as a dollar" has a very hollow ring today.

#### **Inflation not excessive?**

"Not so," say the liberals. Harvard's Alvin Hansen states that we might appraise the current concern about inflation a lot more judiciously if we would set recent events against the background of price movements over the last 60 years.

In the decade just past, Professor Hansen maintains, the compound rate of increase of wholesale prices was  $1\frac{1}{4}$  per cent per annum; the figure for consumer prices for the same period was

$1\frac{3}{4}$  per cent. In contrast, he points out, in the 16 years of peacetime prosperity from 1897 to 1913 the compound rate of increase per annum was much higher— $2\frac{1}{2}$  per cent. Taking the longer view, covering the six decades from 1897 to 1958, the per annum rate of increase of prices (wholesale and consumer) was  $2\frac{1}{3}$  per cent. Yet, Mr. Hansen states, "when anyone suggests a possible increase in prices of around 2 or  $2\frac{1}{2}$  per cent per annum over the next two or three decades, alarmists are apt to cry 'ruin and disaster'." It is Mr. Hansen's position that we should be a bit wary of much of the current talk about inflation in view of the fact that the  $2\frac{1}{3}$  per cent price increase of the past six decades occurred against a backdrop of economic growth, rising living standards and more equitable distribution of wealth.

Professor Hansen rejects flatly the argument that government spending is uneconomic. He maintains that the social utility of the marginal dollar spent by the federal government for defense, education, hospitals or urban development is far higher today than the social utility of the marginal dollar spent privately by the individual, for example, on larger and longer fin-tailed automobiles. The times demand, Mr. Hansen insists, increased federal expenditures now, with higher taxes if and when needed to contain inflation.<sup>12</sup>

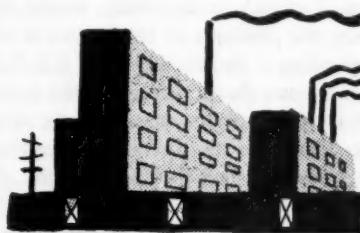
The idea that a nation can spend itself rich is denounced in conservative quarters. Mr. William McC. Martin, Chairman of the Board of Governors of the Federal Reserve System, for ex-

<sup>11</sup>*Wall Street Journal*, January 13, 1959, p. 12.

<sup>12</sup>*The New York Times*, January 23, 1959.

ample, states that this country must face up to the reality of either raising taxes or revising our tax structure to produce more revenue or it must revise the priorities of some federal programs until we can get things in better balance. Mr. Martin believes it is sheer folly to pile up bigger deficits and to throw more inflationary logs on the fire at a time when business is improving and moving actively toward higher levels.

On a recent trip abroad, Mr. Martin found that foreigners were beginning to raise their eyebrows with respect to the future of the dollar. As Mr. Martin explained it: "one distressing experience was to find among intelligent and perceptive men in those countries a growing distrust over the future of the American dollar."



While Chairman Martin is quick to add that he does not share this foreboding, he does believe it important to recognize the feeling existing abroad. As Mr. Martin puts it:

To the foreigner, much more than to the American, the dollar is a symbol of this country's strength. A decline in the value of the dollar would suggest to him a decline in the faith and credit of the United States, signaling in his mind a decline not only in American economic strength, but also in moral force.<sup>12</sup>

<sup>12</sup>"Our American Economy," *Barron's*, December 22, 1958, p. 5.

Conservatives are convinced that inflation is the greatest of economic evils. In their desire to avoid it, they are reconciled to a certain amount of deflation. Liberals, on the other hand, are willing to pay the price of a certain amount of inflation, since they regard unemployment and any restriction of public services as the greater threat to the country's well-being.

There the matter rests. As the "great debate" proceeds in the halls of Congress, across collective bargaining tables and over the counters of the nation's food markets, millions of individual decisions will work out some manner of answer.

As both conservatives and liberals have their day in the court of public opinion, it is to be hoped that the country will respect the minority opinion, will tolerate differences and will seek out the larger areas of common agreement which bind men together and, most important of all, will shun the attitude of abandonment that accepts solution by dictation or by default.

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Part 2 by the Professor of the History of Economic and  
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# Christian Trade

GEORGES JARLOT, S.J.

IN THESE CIRCUMSTANCES<sup>1</sup> the Christian Trade Union movement in France felt even more compelled to maintain its independence, not least in view of the pressing invitation to fusion which the Communist Party was issuing in the name of unity of the working class. The radio appeal of Maurice Thorez ("Catholic comrades, shake hands!") had had an immense impact during the election campaign.

To this temptation there was added the competition for collective bargaining contracts. According to the principle of the Matignon Agreement (which the Blum government had fathered) after negotiations between "the most representative organization" of workers and of employers, contracts covering an entire industry on the local, regional and even national level could be signed, regulating salaries, working conditions and, in general, all the manifold relations between employer and employee. The C.G.T. wanted to interpret the Matignon Agreement to mean that, being *the* most representative trade union, it alone would be authorized to nego-

tiate with the most representative employers' organization, in the concrete with the *Confédération Générale du Patronat Français*. This would obviously have given the C.G.T. an absolute monopoly. The C.F.T.C. realized that such an interpretation (and the monopoly which it entailed) would destroy the principle of freedom of work. Defending pluralism, the C.F.T.C. pointed out that, confronting the multiplicity of employer organizations, there was likewise a multiplicity of employee organizations which could claim the title of "the most representative" in specific cases by reason of the number of dues paying members. This claim was recognized only when the Minister of Labor supported it during a meeting of the Senate, a position subsequently confirmed by law. The issue at stake was worth the struggle. From June, 1936, to July, 1937, nearly 5,000 contracts were registered with the Ministry of Labor, twice the number which had been registered in the 14 preceding years.

The C.F.T.C. had its own 1936 program. Once again we encounter the reference to papal encyclicals:

<sup>1</sup> Continuation of the article begun in our February issue.

Social Doctrines at the  
University, Rome

# Unions

An efficacious and lasting remedy to the economic errors and the social injustices which have brought about the current miseries and disorder can only be applied by recalling the teaching contained in magistral form in the encyclicals *Rerum Novarum* and *Quadragesimo Anno*.

Becoming more specific, the document reiterated one of the traditional ideas of the C.F.T.C. It called for establishment of a council of labor, recognized by the law and having representatives of employers and workers in equal numbers. The council would be permanent—that is, its members would be elected without terms of office and would meet on fixed occasions. It would be balanced—that is, for each industry and for the council as a whole it would be composed of an equal number of representatives of workers' and of employer organizations. The program, however, reserved the right to strike when conciliation and arbitration failed. It also asserted for the trade union movement complete independence of all religious and political forces.

Thus, the pre-World War II history of trade unionism in France provides an understanding of the C.F.T.C.'s insistence, as a matter of principle, on a

pluralism of trade union organization.

Similar reasons give validity to the same position in the aftermath of World War II. In the process of imposing its Labor Charter, both federations, the C.G.T. and the C.F.T.C., had been dissolved by the Vichy government. The two had battled together in the underground. On August 30, 1944, their executive committees had issued a joint statement hailing "the return of total freedom to the trade union movement and therefore to the plurality of organizations, a freedom consecrated by common agreement and action." On September 19, however, the C.G.T. proposed an amalgamation, an offer which it renewed in March, 1945. In its reply the C.F.T.C. asked if its fellow federation accepted

the traditional principles of Christian trade unionism insofar as these apply to pluralism in the movement, allegiance to the fundamental values of the Christian tradition, opposition to materialism and to all totalitarian systems, wherever they might be found.

Here is the key to the problem.

### The demands of doctrine

It is not a question of clericalism or of denominationalism or of isolation in a ghetto or of any subservience but rather of the demands of a doctrine. To emphasize this point the 1947 congress of the French Christian Trade Unions modified the first article of its constitution. All references to papal encyclicals were deleted, leaving only mention of the general principles of Christian social morality.

The action should not be misunderstood. Much ground had been covered since the creation of the Commercial and Industrial Employers Union. It is

no longer a question of uniting Catholic workers in order to safeguard them. A generous welcome is now accorded anyone who accepts Christian social principles as a basic philosophy. (As a matter of fact, this had been the case since the creation of the C.F.T.C.) With the suppression of all mention of the encyclicals, however, the federation made clear that it wants to be open to all men of good will, including those who fear even the appearances of denominationalism.<sup>2</sup>

In the labor market and in the negotiation of collective bargaining agreements the C.F.T.C. has acquired a definite place. It needs, to be sure, to increase its power and to augment its representativeness. In this field a silent revolution has taken place. The fixing of wages has passed from the hands of the individual to those of the group. Collective labor contracts are the fact and are partially recognized by law. The chief labor federations conduct the negotiations, working out the terms of the contracts which, when signed, are automatically given in some respects the

<sup>2</sup> As J. Zirnheld, an authority on the Christian trade union movement, observes: "No one, no society or collectivity of any kind, can do without a doctrine or a guide to life. . . . And this is above all true of trade union action. Trade unionism is in fact not merely—as has too often been said of it—a question of stomachs. To draw and hold a mass membership it needs not only a material bait but also an ideal which encourages them, in the hope of an uncertain result, to make sacrifices which are not repaid in immediate satisfaction or through any personal profit. Even the most apparently neutral trade union movements fall under this rule. They may claim to be sorely concerned with the economic interests of their members. But inevitably there arise occasions when their members understand the satisfaction of these interests, or the means to be employed to achieve it, quite differently according to each one's opinions and personal belief." *Cinquante Années du Syndicalisme Chrétien*, Spes, Paris, 1937, p. 178.

force of law. Since, according to French legislation of June, 1936, the determinant power in these matters is accorded to "the most representative organization" among the trade unions, it is essential for a union to be the most representative possible by organizing the largest possible number of workers. Numbers give power, if only through the sum total of union dues. The federation with the largest number of members evidently will be the strongest.

### Why pluralism?

Why, then, the plurality of federations? Why the refusal of solidarity of the working class proposed by the C.G.T. in 1936 and offered anew in 1945? Why, in brief, does the Christian trade union movement gratuitously, it might seem, appear to weaken the workers by dividing their allegiance?

Between World War I and World War II Europe passed through a gamut of unhappy experiences which make us distrustful of slogans. The "single school," the "single youth organization," the "single party," the "single trade union movement" are the four institutions, as we have painfully discovered, which the totalitarian state routinely employs to establish and consolidate its tyranny. Our fear is confirmed by observing the workings of the system in the Soviet Union and in the so-called Peoples' Democracies. Recent events in East Germany, in Hungary and in Poland have demonstrated the danger anew. A trade union movement monopolized by the state is the tool which the state may use to dominate the working class and to bend it to

its political purposes. Wherever the monopoly of the trade union movement exists, it presents a temptation to political groups eager for power. Either the state seizes the union in order to control the workers or the party seizes the union to conquer the state. This is the end not merely of the freedom of the trade unions, but of all human liberties.\*

### Fear of monopoly

In addition, European Christians are persuaded that trade union pluralism, as a social fact, is in the interest of the workingman. We are less than enthusiastic about a monolithic trade union movement, too sure of itself, concentrating all power in its officers, as is the case in West Germany. Such a movement becomes either a purely administrative organization or a political instrument. From a pressure group it becomes the cog in a political machine.



At this stage it is tempted to neglect or even to deny its essential function as an advocate of the interests of the workingman. In trade union matters, as in other questions, competition is preferable to monopoly.

Finally—at least on the continent, including Germany, and perhaps in

\* One can profitably read on this point the article by Francis Fejtó, "Syndicalisme à l'Est," *Esprit*, July-August, 1957. Carefully documented, its conclusions are instructive.

Great Britain as well—the trade union movement is necessarily colored by ideological tenets; this is true whether or not union leaders admit the fact, even indeed if they are unaware of it. This ideological penetration of the trade union movement accounts for the schism of the C.G.T. itself into a C.G.T. dominated by the communists and pursuing the policies of Moscow and the *Force Ouvrière*, an organization patriotic but socialist, faithful as far as it can be to the old stand of political independence and direct action.

Let us examine a wholly fanciful hypothesis. Let us suppose that *Force Ouvrière* were not anti-clerical, that the C.G.T. ceased to be Marxist. To merge with them would present no threat to religion, either to the faith or to religious practice or to Christian morality in any fashion. According to our supposition, the C.G.T. would have become exclusively an instrument of bargaining power in the trade union field and nothing more. Even in this hypothesis, I do not believe that the Christian trade unions would accept amalgamation.

In examining the reasons for this rejection, we must go to the very root of an issue which in another context might seem paradoxical. A Christian trade unionist fights energetically for a decent income, for the welfare of his family and for his full rights in the economic sphere. He fights even more and with more conviction, if possible, for his principles. In France he has expressed these principles through declarations of the C.F.T.C. in 1919 and again in 1947. These principles include the dignity of the human person, the defense of the working-class fam-

ily (and on this point the C.F.T.C. has always been a leader), the rights of the worker and, in consequence, the freedom of a strong trade union, the humane organization of the national economy with labor accorded its legitimate place along side of Capital in the exercise of responsibility, the rise of the worker through a democratically-inspired economic system, the political emancipation of the working class as a result of its being officially represented on all public organizations: in sum, everything which social-minded Catholics have long understood by a "Christian social order."

Our American friends will doubtless object: "That's all very evident, we agree with every point. However, the necessity of a separate trade union movement is not at all clear." We willingly concede that this may well be true, as far as the United States is concerned. But we must point out that, with conditions as they are in France, our situation is different.

### Action supposes doctrine

It is not here a question of determining whether the union member goes to Mass or recites a prayer at the opening of his meetings. It is a question rather of knowing why he engages in trade union activity. Christian trade unionists believe that social action does not succeed without a social doctrine. A strike, a demand for wage increases, any trade union activity whatsoever—the entire struggle of the working class—has a meaning determined by the underlying doctrine directing it. What is the purpose of this strike or of this demand for wage increases? Is it to

cultivate the militancy of the masses in view of an ultimate insurrection? Or is it to improve the human conditions of the worker?

In short, experience has taught our European trade unionists that there is no social action apart from a social doctrine and that there is no social doctrine without an ideology.<sup>4</sup> They believe that there are circumstances when it is more important to fight for a principle of justice than to protect their children's bread. That is why, in negotiations with employers, the representatives of the C.F.T.C. are more hard-boiled, more unyielding than the representatives of the C.G.T., *less inclined to compromise their principles*. Consequently they are called crypto-communists or socialists or all manner of things. But they are right.

Georges Levard concludes his book *Chances et Périls du Syndicalisme Chrétien* with these words:

It is in loyal attention to its doctrinal position that the Christian trade union movement searches for the solution of contemporary problems. At a time when the dangers of materialism are greater than they have ever been, it must remind the workingman and all other citizens that in order to subordinate techniques to the person, in order to offer effective resistance to the excessive demands

<sup>4</sup> One notes at this point a declaration of Gaston Tessier, President of the International Confederation of Christian Trade Unions, after attending the last AFL-CIO convention at Atlantic City. Writing in *Labor* (February, 1958), the I.F.C.T.U.'s official bulletin, Mr. Tessier reported: "Once again I was in a position to note the ideological affinities between the powerful trade union movement in the U.S.A. and ours. The former does not shrink from showing its spiritual content: the convention opened with an invocation and an exhortation by Msgr. Higgins, a young prelate who is at the head of the Social Action Department of the National Catholic Welfare Conference, and each day began with a collective prayer."—Ed.

of an encroaching world of technology, it is essential to base one's point of view on a moral system, the system which is its guide and which alone can provide a fitting notion of the genuine grandeur of man and of his rights.\*

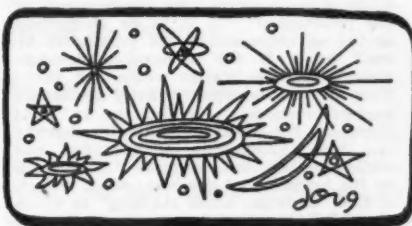
Since the publication of this book, diverse tendencies within the organization of the C.F.T.C. have manifested themselves. There is a majority group represented by the magazine *Recherches* and a minority fraction whose organ is *Reconstruction*.

### Question of tactics

The division turns on which is the better tactic for more effective trade union action. The group around *Reconstruction* believes that efficiency depends upon sheer size, upon numbers. For them, the larger the mass base of the organization, the more "representative" the organization will be and, hence, the more power it will have in bargaining sessions. Their idea goes even further. It dreams of a great union of the French working class, rallying everyone not hopelessly contaminated by communist propaganda. Such an organization would offer a haven for those—and they are numerous—who are weary of a trade union movement under orders from abroad and who are seeking an organization preoccupied primarily with defending their interests. The group around *Reconstruction* thinks that this happy role could fall to the C.F.T.C. (to the detriment obviously of the C.G.T.) if one dropped all indication of a denominational preference, in the concrete by dropping from the title the initial C standing for "Christian."

\* Fayard, Paris, 1955, p. 221.

The editors of *Syndicalisme*, Gaston Tessier, Maurice Bouladoux, Georges Levard, agree in principle with the stand of the other wing; they concede that the mass of the working class must be regrouped to obtain the greater efficacy of trade union action and to become the most "representative" organization. To achieve that objective, however, they feel that it is not necessary to conceal one's allegiances. On the contrary, they claim that it is in being true to its own character that the C.F.T.C. has made its greatest appeal. It has been noted with some surprise that the postwar influence of the C.F.T.C. has extended beyond its own membership. The number of votes it has won (and, hence, the number of delegates it gained) in the elections for the workers' councils in individual firms, for family allowance and social security administrative boards were very much more than its actual membership there would have led one to expect. From this one can reasonably conclude that, if the unorganized workers or even those who are members of the C.G.T. had voted for a C.F.T.C. candidate, it was probably precisely by reason of the implication of the final C in its title and the guarantees the word "Christian" provides.



In my opinion Maurice Bouladoux and Georges Levard are not wholly wrong. It is necessary that the C.F.T.C. be strong and then it will appeal to the mass of the working class. It will do this more readily in avowing its own nature rather than in disguising it.\*

### Labor party illusory

On the purely political level one can dream of a new "Left," a grouping which would correspond to the British Labour Party. A Labour Party is possible in England. In France it is an empty hope because, for historical reasons of permanent force, the question of religion occupies in the national life of France a place which it does not hold in England. As far as I am concerned, I do not regret the fact. I cannot bring myself to reproach the Christian trade unionists for defending their ideas more stubbornly than their wage scales. In short, it seems to me that the Christian trade union movement is committed to pluralism in the trade union field because this

arrangement is at once the inevitable consequence and the necessary symbol of trade union freedom. Trade union freedom is in the eyes of these men the primary social freedom, since it is the essential symbol and the inevitable consequence of the freedom of thought. And who would blame them for their stand?'

A final objection will certainly occur to American readers. What is the position of the C.F.T.C. among the competing trade unions in France? How can it defend job security and trade union rights in individual firms, issues judged of primary importance in the United States? How does it fare in collective bargaining negotiations? These questions are raised explicitly in a recent brochure of the National Planning Association, *Trade Union and Democracy, a Comparative Study of U. S., French, Italian and West German Unions*.

### European differences

In answering I must point out that our labor contracts do not correspond exactly to the collective bargaining agreements familiar to Americans. In the first place a large area still left to free negotiation between employers and workers in the United States is already covered by social legislation in France. It is precisely because our trade union movement was weak and the employer groups strong that the government has taken the responsibility of providing protection for the workers. There is a very old tradition be-

\* At the last national convention of the C.F.T.C. the two wings within the movement drew together to a considerable degree, so that unity of action is definitely re-established. A certain ambiguity remains, however, turning on the basic question of what to maintain and what to jettison of the class-warfare idea as understood by the other French trade unions. What, for example, is the meaning to be attributed to the term "the advancement of the proletariat?" Is it to be understood as the advancement of the proletariat by itself or is it the harmonious development of the proletariat within the structures of an organized industry in an organized economy? Again, up to what point can the socialization of the economy and the politicization of economic and social matters be accepted? This leads to the fundamental question: what, in fact, is this "Christian social teaching" to which the C.F.T.C. appeals?

<sup>7</sup> See *Recherches*, January and March, 1956, for comments of Levard on the minority view expressed at the 1955 C.F.T.C. Convention.

hind this policy, one consistently supported by social-minded Catholics. Is the policy a good one or a bad one? In any case, it is a fact which must be kept in mind at the beginning of the discussion.

Secondly, since the legislation of 1920, extended by the Matignon Agreement of 1936 and confirmed by post-war legislation, the very idea of a labor contract is wholly different in France. Here it is always pluri-lateral. That is to say, at every stage of the negotiations from the bargaining to the preparation of the contract and to its signature, the totality of the most "representative" worker organizations who have agreed to participate in the contract is present. The rules of determining who is most "representative" are fixed. It sometimes happens that for tactical or political reasons the C.G.T. backs out; the C.F.T.C. never does.



Beyond this, contracts with individual firms are a recent innovation. They date, in fact, only from 1955 when a contract was signed with Renault, the large, nationalized automobile manufacturer. The 1920 legislation had envisaged that labor contracts would establish a new "social" legal system, one intermediate between private and public law. Labor contracts are not bilateral agreements. They were intended to establish for a given industry,

on the local level, or preferably on the regional or even national level, the general terms of the relations between employers and workers, within which individual contracts between separate firms and their employees could be worked out. As a matter of fact, these general agreements bind more than the immediate participants. From the very fact that the individual employer is committed by the decision of his trade association in the general agreement, he could not establish different wage scales. He is obliged to pay the same wages, offer the same advantages and treat in the same fashion the entire personnel whether or not they belong to the trade unions which signed the general agreement.

The Matignon Agreement (1936) did not infringe on this principle—thanks to the tenacity of the C.F.T.C. It was precisely to protect trade union freedom that the C.F.T.C. defended so energetically the principle of trade union pluralism in the question of collective bargaining. It opposed with all its force a monopoly which would close the gates of the factory to the worker who did not carry the card of the union signing the contract. When the legislation establishing contracts with individual firms was enacted after the war, the same pluralist principle was maintained. All of the most "representative" trade union organizations participate in working out the contract.

#### **Freedom vs security**

It is perhaps on this point that the two conceptions, the American and the French, are most clearly in conflict. To assure job security Americans advocate

union security with its features of the union shop, maintenance of the membership clause and the check-off system. To insure the right to work the French advocate freedom of choice among competing trade unions; the result is the pluralism that characterizes the movement in France. We French oppose anything that resembles a monopoly, even in working out a labor contract.

Which of us is right? Both, each in its different circumstances of time and place. Americans remember the great depression and fear a return of

the unemployment of the 1930s. The French live in a country where, at least up to the present, importing foreign workers is frequent; as a result, we emphasize liberty. Our approach is perhaps equally to defend job security, but we approach the problem from a different angle.

To find an equilibrium of balance between liberty and security—is not that the essential problem of all times and in all questions: economic, social and political? And will not the solutions to this problem inevitably prove diverse?

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## AN AMERICAN REJOINDER

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IT WAS HEARTENING to note that Father Jarlot began his exposition of the Christian trade union movement with an explicit disavowal of any opinion on "Right to Work" laws in the United States. Observed Father Jarlot:

It is probably no easier for an American trade union member to understand the case for Christian trade unions than it is for a French worker to see how his freedom to choose his own union would be compatible with the union shops and the exclusive bargaining agencies which characterize the American labor movement.

Would that such modesty were more widely imitated. Unhappily, such is not always the case.

Every once in a while some American businessman returns from a Euro-

pean tour singing the praises of the "open shops" he found there. No compulsory unionism in Europe, he tells us; the "union shop" is practically an unknown term. Membership in a union is never a condition of employment.

Even the February issue of *Fortune* sighs for the open shops across the Atlantic, asserting that "the underlying question posed by compulsory *vs.* voluntary unionism is a moral one."

There is a suggestion that European labor leaders are morally superior to their American counterparts for having recognized the fact. Such thinking is naïve. Transplant your average European labor leader to the United States and there is little doubt that he would become an ardent advocate of the union shop.

## Labor parties OR unions

Both *Fortune* and the traveling businessman are missing what should be an obvious point. The "Right-to-Work" issue as understood in this country has never been and probably could never become a major concern in Europe. The union shop is dear to the heart of the American union man because it is a means—in fact, the only available means—of obtaining security for the union. European labor has no such problem. The reason is the existence of strong, labor-bossed political parties in most European countries west of the Iron Curtain. The American labor movement has not as yet chosen that course of action to guarantee security. Most of us hope it never will. Security, however, it must have. Nor is this strange: every organization takes some means to insure its continued existence. Two courses are open to organized labor: to set up a political machine at every level, making it strong enough to force the government to provide protection, or to guarantee its continued existence shop by shop by means of binding contracts.

One wonders whether the American business community has really thought out the consequences of outlawing the union shop on a wide scale. There is every reason to believe that such a situation would send organized labor into the political arena with unprecedented speed and vigor. Many employer groups expressed alarm at the political activity of labor in the last election. They should note carefully that the activity was most intense where the right to the union shop was threatened. The "Right-to-Work" issue has thrown labor into politics in a way that few

other issues in our history have done.

Of all places one would least expect to find a plea for increased union political activity, the least likely would be the official organ of Samuel Gompers' old union, the Cigar Makers. Yet the January 1959 issue of the *Cigar Makers' Official Journal* carries a reprint from *The Trade Union News* entitled "Labor Must Be in Politics up to Its Neck!" Gompers would have been shocked. Even George Meany threatened direct political action in a recent speech. Another turn in the grave for Gompers!

It is easy enough for Mr. Geddes, ex-President of the British Trade Union Congress, to denounce the union shop. When the next election is held in England, if the Labor Party does not actually win, it will come close enough to make the Conservative Party very careful of its labor policy. Were Mr. Geddes behind Mr. Meany's desk, it is probable that his ideas might undergo a considerable change.

## Social mobility

The American worker, we are told to the point of boredom, is not class-conscious. The suggested contrast indicates that the European worker considers himself more or less bound to a definite stratum of society, the working class. To the extent that this analysis is true, it goes a long way toward explaining the absence of a "Right-to-Work" issue in Europe. The European economy is a mature one and has been such for many years. Opportunities for expansion are quite limited. Opportunities for personal advancement are, consequently, also limited. The carpenter's son in Paris is far less likely to dream of being a highly-paid

industrialist than is his counterpart in Chicago.

Since there is less chance of escaping from the worker class, there is in Europe more interest in and more dependence on labor organizations. The European worker may not understand the meaning of a "certified bargaining agent;" he seems to prefer to choose his own union; being of an independent turn of mind, he may pay no union dues at all for a period of time. But it would be unthinkable to him that there should be no unions. He is free to join or not join the union but the union, he is sure, will always be there. Labor's direct political action will see to that.

A few other features of the European industrial scene should be remembered. In the Scandinavian countries, for example, both workers and employers are almost completely organized. In such a situation the union shop would have little meaning. Collective bargaining is so strongly entrenched that security is not a serious problem. In Germany, Austria, England, France and the Netherlands at various times and in various forms laws have been passed extending the terms of collective agreements to entire industries, whether unionized or not. In present day Germany the Minister of Labor may extend such contracts as he sees fit. If he does extend them, the labor inspectors control the application of the agreement in the areas over which they have been extended. Such political power on the part of labor would make many Americans shudder.

Many of the laws providing for such extension of collective agreements specifically forbid forcing workers to join the union. In a way, these workers

could be called "free riders" in the sense used in American shops. They benefit from the bargaining and other work of the union. It is not surprising that there is no cry for a union shop: it is simply unnecessary. Union conditions are imposed on a whole shop—and even on whole industries—regardless of whether or not all the workers belong to the union. Where labor has that much political power it would be wasted energy to concern itself with enrolling each worker in a whole industry or even in an entire shop.

### **Price of collective bargaining**

If the union shop involves minor restrictions on personal liberty—and even its advocates should admit that—this is a small price to pay for free collective bargaining. Let those who are fascinated by Europe's form of voluntary unionism look below the surface. Are the production workers in the shops of Paris really more free than the men at the machines in Detroit and Pittsburgh? Even if one should insist that the worker has more freedom under the European system, it would be the rare American businessman who would claim that his European counterpart has fewer restrictions.

European labor organizations have in many cases been much more concerned with legislative victories than with short run economic gains. Until quite recently by far the greater part of the energy of American labor has been exerted in the opposite direction. American employer groups surely do not want labor to change the emphasis of its interests so drastically as to concentrate almost entirely on political ventures.

# The Prevalence of People

JOHN L. THOMAS, S.J.

WHEN THE CENSUS BUREAU announced last October that our population had just passed the 175 million mark, the statement drew only scattered comment from editorial writers across the nation. Perhaps the reports of our budget makers and rocket experts have dulled our perception of the significance of astronomical figures. At any rate, the average American appears more concerned with traffic problems, schools for his children, housing, desegregation, and the higher things of life—like prices.

Yet what Malthus termed "the prevalence of people" is bound to become one of the major challenges we face in the future, if the hydrogen bomb is not permitted to provide its own ghastly solution. Both at home and throughout much of the world, unprecedented annual increments of population are creating problems that bid fair to tax human ingenuity and available natural resources to their utmost. Not that we lack either "know how" or necessary materials. Nature is not as "niggardly" as the older classical economists appeared to believe. But a world sharply divided between rich and poor nations,

rampant with rising nationalism, historically dichotomized into East and West, and ideologically polarized around "communism" and "capitalism", offers scarcely a propitious climate within which we can tackle our population problems.<sup>1</sup>

A glance at current estimates of world population size, birth and death rates, provides some understanding of the nature and magnitude of the challenge. At the mid-point of 1956 the world's population was approximately 2,737 million—55 per cent living in Asia, 15 per cent in Europe, nine per cent in North America, eight per cent in Africa, seven per cent in the USSR, five per cent in South America, and less than one per cent in Oceania.

The estimated gain between mid-1955 and mid-1956 was about 47 million. This increase resulted from an average annual birth rate of 34 as

<sup>1</sup> "When we take the very long view of man's world in the next century we see that the main problems are less those of technology than they are those of men's getting along with other men, communicating with other men, and organizing themselves in such a way that their genius and imagination can be vigorously applied to the problems that confront them. Our major problems involve the enriching, enlarging, improving, and mobilizing of our intellectual forces." Harrison Brown, James Bonner, and John Weir, *The Next Hundred Years*. The Viking Press, New York, 1957, p. 153.

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against a corresponding death rate of 18, both estimated from data available for the period 1952-1956. In terms of geographic regions, the estimated world average birth rate of 34 per 1,000 population represents a range of 32 points, from a low of 18 in Northern and Western Europe to a high of 50 in the Tropical and Southern Africa region. The world death rate of 18 is made up of regional rates that vary from 9 per 1,000 in the USSR, Oceania and North America to 33 in Tropical and Southern Africa. This pattern of variation by regions is reflected also in the rates of population increase, the largest percentage increases having occurred in Middle America (2.7 per cent), South West Africa (2.5 per cent), and South America (2.4 per cent).<sup>3</sup>

### **Increase unprecedented**

It seems clear that we are witnessing an increase in world population never before known in the history of mankind. Not only are various population groups already large, so that even relatively small growth rates produce large increases in numbers but the growing gap between death rates and birth rates, particularly in the economically underdeveloped countries, results

in large annual increments. For example, our Western Hemisphere contained approximately 277 million people in 1940 and roughly 374 million in 1956—a gain of something like 97 million in 16 years. During the same period, it is estimated that Asia (excluding the USSR) increased by some 300 million and Africa by about 48 million.<sup>4</sup>

Obviously, the world's population has not been increasing at this rate for very long. What has been called the "vital revolution" in population growth appears to have started in Western Europe about three centuries ago. Various factors contributed to a long and steady decline in mortality rates from this time, followed eventually by a continued decline in fertility. During this period, large increases in population resulted from the lag in the decline of fertility.<sup>4</sup> For example, Europe's 103 million people of 1650 (estimated) increased to 593 million in 1950. Likewise, owing to substantial immigration, the 10 million population of the Americas and Oceania in 1650 (estimated) expanded to 343 million in 1950.

In Western industrialized nations the general pattern of population trends appeared rather clear by the 1930s. Mor-

<sup>3</sup> See *Demographic Yearbook 1957*, Statistical Office of the United Nations, Department of Economic and Social Affairs, New York, 1957, pp. 2-3. The compilers of the *Yearbook* emphasize the provisional character of their estimates. Censuses, vital statistics and other figures for many countries are dubious in their accuracy, so that estimates of birth and death rates for most of Africa, Asia, and many countries of Latin America can represent no more than educated guesses. Nevertheless, there is evidence that, as modern health measures are being applied, death rates are lowered, while birth rates tend to remain the same, thus producing unprecedented increases in population.

<sup>4</sup> *Ibid.*, p. 123.

We really know relatively little about the characteristics of this lag in various Western nations. See George Stolnitz in *Applications of Demography: the Population Situation in the U. S. in 1975*, edited by Donald J. Bogue. Scripps Foundation for Research in Population Problems and Population Research and Training Center, University of Chicago, 1957, pp. 9-11. Also, Kingsley Davis in *The Interrelations of Demographic, Economic, and Social Problems in Selected Underdeveloped Areas*: Proceedings of a round table at the 1953 Annual Conference of the Milbank Memorial Fund. Milbank Memorial Fund, New York, 1954, pp. 67-68.

tality rates were low and the decline in fertility had continued to the point that the stabilization or decline of many national population groups was in sight. After the war, birth rates increased in most countries, while mortality rates continued to decline slowly. At present it appears that crude death rates for most of these countries are not likely to sink much lower in the near future, although the low birth rate of several countries such as Sweden, Austria and northern Italy are becoming matters of national concern. In the Western Hemisphere, the postwar "baby boom" and immigration have resulted in substantial annual increases in both Canada and the United States.

Meanwhile, the "shrinking" of the globe resulting from modern means of travel and communication, together with our necessarily enlarged involvement in world affairs after the war, has brought the demographic situation of the vast agrarian societies vividly before the American public mind. Broadly speaking, these populations have had relatively high fertility and mortality rates. Hence, a high growth potential is characteristic of much of Africa and Asia, Middle and Tropical South America and of most of the islands of the South Seas.

### **Overpopulation vs. under-development**

In other words, almost two-thirds of the world's population is characterized by a high growth potential, since declining death rates have not yet been accompanied by decreases in birth rates. Continued reduction in mortality may reasonably be expected; this can be rather easily achieved by the applica-

tion of modern health techniques, primarily in the control of the infectious diseases. It should be noted that such reductions of the death rate benefit principally the ages before mid-life, with the result that higher percentages of the population survive to reproduce.

On the other hand, most of these countries have relatively underdeveloped agrarian economic systems. Illiteracy rates run from 50 to 80 per cent in most instances. Though these areas may possess abundant natural resources, they are only starting to develop the productive factors which render these useful. In addition to (or accompanying) a complete cultural transition, such development requires capital, organization and modern industrial "know how."

Can these nations develop the required factors of production in the face of the heavy demands created by their rapidly increasing populations? Is there not grave danger that production gains will fail to keep up with increased subsistence demands, so that there will be little opportunity for further development through capital savings and increased skills, to say nothing of a higher standard of living?

When we place these questions in the context of growing nationalism and of the cold war, realizing that two opposing power-centers are bidding for the support of these vast groups, we can begin to see the major dimensions of the problems we now face.

Even this brief overview of world population problems is likely to leave us somewhat confused and dismayed. As British scientist Le Gros Clark has aptly, remarked:

The truth is that our recent mastery of global statistics has tended to go to our heads; and until we become acclimatized

to living in a statistically comprehensible world, we shall continue to suffer from a kind of nervous strain. We can never again be ignorant. A mass of global statistics, slowly collected and refined over the last half-century, has suddenly transformed our outlook upon the world. The revolutionary nature of the change has not as yet been realized.<sup>6</sup>

## Two exaggerations

A glance at the popular literature in the field reveals that the conflicting claims of what Swedish population expert, Alva Myrdal, called the "conservative" and "radical" positions still tend to obscure the real issues involved.<sup>6</sup> Overlooking the success of the medical sciences in increasing the life span and thereby stimulating remarkable increases in population density, the conservatives maintain that there is nothing really new about the problem. In their view the world's present growing pains should be regarded as temporary maladjustments brought on by war, selfishness and greed. On the other hand, the radicals ignore the manifold complexity of the new problems. Apparently emotionally disturbed by the results of applying compound interest formulas to present population groups, they remain fixated on one piecemeal approach—contraceptives or the hoped-for "pill."

Such approaches tend to present world population problems in a manner that effectively precludes solutions in conformity with ethical principles acceptable to Catholic thinkers. New and serious population problems *do* exist,

though they cannot adequately be solved by attempting to take ethical short-cuts. Considering the present tendency to oversimplify—or to confuse—the various related issues, it should be obvious that no reasonable solutions can be proposed until we carefully sort out the various problems and their related variables.

In the first place, we must distinguish the broad, over-all problem of world population *vs.* world resources from specific population-resource problems existing in various countries. Answers to the first problem necessarily remain highly speculative. We can only guess at future long range trends in science and population growth, and since natural resources appear well-nigh inexhaustible, recent conferences of experts on the subject conclude that we have sufficient resources in energy and food to handle any foreseeable population increases, provided we will to develop the productive factors required to use them. Specific population-resource problems raise other questions and call for different solutions.

Some obvious distinctions in this regard must be made between the industrialized nations of the West and the agrarian, economically underdeveloped countries of Asia, Africa and parts of Latin America. Similar dis-

<sup>5</sup> *Four Thousand Million Mouths*, edited by F. Le Gros Clark and N. W. Pirie, Oxford University Press, London, 1951, p. 26.

<sup>6</sup> *Nation and Family*, Kegan Paul, Trench, Trubner, London, 1945, pp. 2-3.



tinctions must likewise be made between the relatively stable populations of industrialized nations like Sweden and the rapidly growing ones, such as the United States.

Population increases in industrialized nations are paralleled or surpassed by increases in productivity, so that one of the major problems of a country like the United States is the management of its annual surpluses. In the underdeveloped countries, however, factors not directly related to the economy have induced and promise to maintain increases in population that place a serious strain on available resources. At the same time, historical, cultural, social, religious, geographical and political factors may render the situation of each underdeveloped country unique.

Further, we must distinguish between poverty and population pressure. As Warren Thompson has pointed out, if poverty and population pressure are used interchangeably,

it is clear at once that population pressure probably never has been, and is not likely to be, an important cause of war, or at least of great wars affecting the lives and welfare of great masses of people.<sup>7</sup>

Poverty-stricken people lack the economic means necessary to wage war; they are usually not conscious of alternatives to their situation. The pressure of population on resources is felt only when people become aware of comparative inequalities and resolve to seek ways of raising their living standards. However, even in such cases,

Where population has been alleged as a cause of modern war, it seems to be as a

rationalization rather than as a reason. Wars, it seems, are made in the minds of men, not created by forces of nature or economics or population dynamics.<sup>8</sup>

### Problem complex

In dealing with a specific population-resource situation, moreover, we must carefully single out its various component elements and their interrelationships. Some writers tend to stress population size, density, composition and trends as if no other variables were significant. It is equally misleading to stress only economic factors as if these factors were direct determinants of population trends. The economic makes its impact felt on population only through social and psychological processes that are highly complex in their origin and operation. We know all too little about these processes or about the interrelationships of the various factors contributing to economic development.<sup>9</sup>

Finally, we must carefully distinguish between known facts and the more or less educated guesses. Professor Merrill K. Bennett, Director of the Food Research Institute at Stanford University, has pointed out some of the questionable assumptions and norms currently used to estimate past and present trends in per capita calorie consumption and world food supply.<sup>10</sup> Speaking to the

<sup>7</sup> Marston Bates, *The Prevalence of People*. Scribner, New York, 1955, p. 141.

<sup>8</sup> "Increasingly we are learning that the non-human inputs into the expansion process—the steel and energy of industrialization and the endowments of nature, the raw materials from which they come—are much less important than the motivation and drive of leaders of government and enterprise, to say naught of the workers themselves." Wilfred Malenbaum, "The Asian Economic Potential," *The Annals of the American Academy of Political and Social Science*, 318 (July 1958), p. 20.

<sup>10</sup> *The World's Food*. Harper, New York, 1954.

<sup>7</sup> See *The Fifth International Conference on Planned Parenthood*, Report of the Proceedings 24-29 October, 1955, Tokyo, Japan. The International Planned Parenthood Federation, London, 1956, p. 9.

members of the World Population Conference in Rome Dr. Philip Hauser, head of the Population Research Center, University of Chicago, summarized the gaps in our knowledge of the relationships between population trends and economic and social conditions:

Our ignorance can be described in several dimensions. First, it may be stated that basic population data—statistics of the type derived from censuses, sample surveys, and birth and death registration systems—are entirely inadequate for most of the world's population. Second, and this is not unrelated to the first point, demographic theory is over-simplified and often obsolete. Third, we have only a limited ability to predict the specific demographic consequences of particular economic or social changes, and even less ability to make predictions in the opposite direction. Fourth, we have hardly begun to use such limited predictive knowledge as we have to trace a sequence of interrelated demographic, social and economic changes. Fifth, we are particularly ill-equipped to provide policy makers and administrators with an adequate factual basis for social engineering purposes. The many gaps in our knowledge are dramatized by the Committee [United Nations] in its fifty recommendations for studies designed to dissipate ignorance in important areas.<sup>11</sup>

### Facts and futures

With these observations in mind, let us take a rapid glance at present and near future prospects for some of the world's most troubled areas.

Although a significantly greater proportion of the children and youth in the world are now attending school and to a later age as well, one half of the world's children of school-age are still not enrolled in schools. Popular de-

mands for education and national needs for specialized personnel are now increasing more rapidly than the capacity of the school systems.<sup>12</sup>

Food production and consumption have improved on a world-wide basis, although with considerable regional variations. For example, production of cereals in the ECAFE region (excluding mainland China) reached an all-time high in the 1956-57 season—an increase of more than four per cent over the previous year. The estimated annual rate of increase is 3.8 per cent, as against a population increase of 1.5 per cent. Although per capita production is still about seven per cent below estimated production of the 1934-1938 period, per capita available supply of cereals, that is, production plus net imports (or minus net exports) in the region as a whole in 1957 is provisionally estimated as reaching the prewar level.<sup>13</sup> In other regions, food production during the 1953-55 period had passed prewar levels. In North America it was 50 per cent higher; in Africa and the Middle East, 45 per cent higher; in Latin America, 42 per cent higher.<sup>14</sup>

While progress has been substantial in the fields indicated, it is still small when compared to the vast extent of poverty and need in the world today. Indeed, it represents but a fraction of the potential for human progress that now exists. The rapidly increasing urbanization characterizing most of the

<sup>11</sup>See *Proceedings of the World Population Conference, Rome, 31 August—10 September 1954, Summary Report*. United Nations, Department of Economic and Social Affairs, New York, 1955, p. 176.

<sup>12</sup>See *Report on the World Social Situation*. United Nations, New York, 1957, pp. 5-48 and 64-90.

<sup>13</sup>See *Economic Survey of Asia and the Far East 1957*. United Nations, Bangkok, 1958, p. 6.

<sup>14</sup>See *Commodity Survey, 1957*. United Nations, Commission on International Trade, New York, 1958, p. 57.

underdeveloped countries is creating serious problems in housing, unemployment and juvenile delinquency. The impressive increase in food production in nearly all regions of the world has not been accompanied by a corresponding expansion in consumption; it is becoming increasingly clear, moreover, that the complex problems arising from economic and social factors must find a solution especially through more effective marketing distribution, if increased production is to find necessary outlets.<sup>15</sup>

Labor conditions have improved substantially though irregularly since the Second World War. What little information is available, however, suggests that there are still millions of able workers in most of the underdeveloped countries who are unemployed, insecure or receiving an insufficient wage to maintain a bare minimum level of living.

What are the prospects for the immediate future?

Many experts feel so many unknowns are involved that no worth-while predictions can be made; others feel there is some justification for a limited optimism. For example, Irene Taeuber outlines a series of questions related to the population-resource situation in Asian countries and concludes that we just don't know the answers:

They will be given in the actions of Asian governments and the decisions of Asian peoples, not alone in the restricted field of fertility control but in the broad fields of economic development and social change.<sup>16</sup>

On the other hand, Wilfred Malenbaum concludes that

<sup>15</sup>See Chapter LV, "Food and Nutrition," in *Report on the World Social Situation, op. cit.*, pp. 49-63.

<sup>16</sup>*The Annals, op. cit.*, p. 7.

experience in some Asian countries in very recent years, notably in India and mainland China, corroborates conclusions based on the general study of the growth process; the countries of Asia can look forward to a more favorable economic future.<sup>17</sup>

Speaking of Latin America, Kingsley Davis suggests that, since current reduction of the mortality rate appears to be brought about by extra-economic factors, the resulting population increases will have adverse economic effects. Although the region is presently enjoying a comparative wave of post-war prosperity, its economy harbors serious imbalances that must be overcome, if the current boom is to continue. "Some of them suggest that excessive population growth may be a factor."<sup>18</sup> Taking a long range view of the same issue, Harrison Brown states: "It seems likely that we see in Latin America a vast continent-wide slum in the making." He admits that this end result is not necessarily inevitable:

On the basis of what we now know about the potentialities of technology, a greatly expanded population could be supported in Latin America at a standard of living equivalent to that which now prevails in the industrialized West.

Yet shortage of capital, growing population pressure, and lack of time required to change the ways of life of entire populations render this desirable outcome unlikely.<sup>19</sup>

Prof. George Stolnitz, University of Indiana, is less pessimistic in his view of the world situation:

... Do we have any substantial cause for optimism as we look into the future of the world's backward economies? If I had to answer in one word, it would be "Relatively"; a three-word answer would

<sup>17</sup>*Ibid.*, p. 18.

<sup>18</sup>*The Annals*, 316 (March, 1958), pp. 9-10.

<sup>19</sup>*Ibid.*, p. 15.

be "No and Yes." The costs of excessive numbers in the high-density areas, and of population maldistribution in both overpopulated and underpopulated areas, will surely be enormous. This needs to be emphasized. At the same time, I see little reason to doubt that the underdeveloped regions will in the main manage to find their own kinds of "breathing spaces" during the next few decades. I would foresee an uneasy period, in which rapidly rising numbers will have to be accommodated, but which should also lay the basis for the diffusion of fertility-reducing forces in the social structure. . . .

In short, I am suggesting that demographic thinking about underdeveloped areas should place greater emphasis upon the short or shorter-run, as compared to over-all growth; moreover, it should adopt a more determinedly unpessimistic approach, if not in its conclusions, then at least in its search for variables and relations of potential significance.<sup>20</sup>

In other words, no matter how we look at the over-all situation, the majority of the world's peoples face a serious challenge. The praiseworthy success of the medical sciences in achieving the "postponement of death" has dramatically upset a balance which mankind has hitherto taken pretty much for granted. The speed with which death rates can now be lowered in traditionally high mortality regions cannot easily be matched by economic developments and the cultural transitions these necessarily suppose. At the same time, since population groups characterized by high mortality rates are geared to high fertility, a sudden drop in their death rates results in remarkable increases, particularly among the younger segments of the population. These unprecedented annual increments place considerable strain upon existing

resources and may seriously impede needed economic developments.

What solutions are commonly proposed? While opinions differ considerably in details, several general approaches have now emerged. One group places primary emphasis on checking the growth of population, principally through the dissemination of cheap, easily applicable and effective contraceptives. These advocates maintain that reduction in the birth rate is the necessary precondition for the development of productive resources and economic improvement. Unless fertility is quickly and drastically controlled, general modernization cannot occur. Thus we must face the possibility of sudden and widespread increases in mortality, they hold, either through general deterioration of health or through modern atomic warfare.

It should be clear from our description of the world population situation that advocates of this approach show little understanding of the nature and complexity of the problems we face. Population growth is only one of the factors involved. More important are the attitudes and practices related to marriage and family size in the underdeveloped countries; these are closely interwoven into the basic fabric of the social system, so that short of profound cultural changes, fertility reducing factors will not become operative.<sup>21</sup>

Further, as Sorbonne professor Ger-

<sup>20</sup>See Irene Taeuber, "Demographic Transitions in Japan: Omens for the Future of Asian Population," and George Barclay, "Population and the Future in Taiwan," in *The Interrelations of Demographic, Economic, and Social Problems in Selected Underdeveloped Areas*, op. cit., pp. 31 and 48 respectively. Also, Baljit Singh "Action Research in Family Planning," in *The Fifth International Conference on Planned Parenthood*, op. cit., p. 74.

<sup>21</sup>*Applications of Demography: the Population Situation in the U. S. in 1975.* Op. cit., pp. 11-12.

maine Tillion, a specialist in Algerian ethnography, warns us, piecemeal reforms such as birth control are out of the question because people can live with reasonable contentment either in an "archaic" peasant society or in an "adapted" industrial one but not in any half-way house. If the underdeveloped countries do not immediately convert to an intensive industrial civilization, they are headed for mass pauperization and decline.<sup>22</sup>

A second group displays deeper insight into the difficulties involved in devising workable programs. In general, they advocate a multi-faceted approach, including emphasis on universal education, social and economic reforms, capital investment that will make the best use of the abundant labor supply, financial and technical assistance from industrialized countries and needed marketing and trade reforms. They tend to differ somewhat in the stress they place upon various forms of family planning; some feel that birth control must be an essential component of any workable program, while others contend that large investments in a frontal attack on the population problem through family planning programs are not currently justified in view of existing attitudes and value systems.<sup>23</sup>

A third group, including most Catholic thinkers, substantially agree with the second approach; they insist, however, that methods of family planning must conform to moral principles. In other words, they categorically reject

abortion, sterilization, and contraceptives as permissible means of limiting the birth rate. Further, they tend to put somewhat greater emphasis on the possibilities of relieving temporary population pressures through limited migration and more favorable trade agreements. They also insist that the goods of the earth have been created for the use of all mankind, so that the resource-adequate nations now have a serious obligation to aid the resource-needy regions in whatever ways appear feasible.

In the current literature dealing with world population problems one frequently reads that the Catholic Church's position on birth control is impeding necessary changes and consequently causing untold misery.

### Catholic position

The *social* basis for the Church's position can be stated briefly in this fashion: Since man is the most valuable productive agent, economic development and progress can best be promoted by creating conditions favorable to man's highest development. Inasmuch as such progress implies discipline, self-control and the disposition to postpone present satisfactions for future gains, the widespread use of contraceptives, even apart from the moral issues involved, would hinder rather than promote requisite cultural changes among the economically underdeveloped countries.

Since the Church's teaching on family planning is frequently misunderstood, we shall devote a subsequent article to a more adequate treatment of her position.

<sup>22</sup>Algeria: *The Realities*. Knopf, New York, 1958, p. 104.

<sup>23</sup>N. K. Sarkar, *The Demography of Ceylon*. Ceylon Government Press, Colombo, 1957; W. S. Wyrtzky, *India: The Awakening Giant*. Harper, New York, 1957.

248,108 refugees resettled . . .

# American Catholic Overseas

EDWARD E. SWANSTROM

**I**N 1943, CATHOLIC RELIEF SERVICES—N.C.W.C. (then War Relief Services—N.C.W.C.), the official overseas relief agency of the Bishops of the United States, was organized by the hierarchy under the aegis of the Administrative Board of the National Catholic Welfare Conference. A member of the National War Fund and sharing in that agency's annual fund drive, Catholic Relief Services—N.C.W.C. continued to participate in this national overseas relief financing group until 1947 when the National War Fund disbanded. Since that time, the operational and part of the supply funds of Catholic Relief Services—N.C.W.C. have been derived from the annual appeal of the Catholic Bishops' Relief Fund. In most dioceses this takes the form of an annual Laetare Sunday Collection (which this year is March 8) supplemented by a Lenten collection in the schools.

Catholic Relief Services—N.C.W.C. was originally registered with the President's War Relief Control Board as an American voluntary overseas relief agency serving the needy without

discrimination of any kind. It remains similarly registered and approved by the Advisory Committee on Voluntary Foreign Aid of the International Co-operation Administration. The Chairman of the Administrative Board of the National Catholic Welfare Conference is, through virtue of his office, Chairman of the Board of Trustees of Catholic Relief Services—National Catholic Welfare Conference. The present Chairman is the Most Reverend Francis P. Keough, D.D., Archbishop of Baltimore.

The overseas aid programs of Catholic Relief Services—N.C.W.C. fall into two general categories: a) relief and rehabilitation and b) resettlement and migration. In connection with the latter, Catholic Relief Services—N.C.W.C. maintains resettlement processing offices overseas staffed by a total of 632 persons. To date, Catholic Relief Services—N.C.W.C. has assisted in the resettlement of 248,108 refugees and displaced persons of whom more than 215,000 were resettled in the United States through home and job assurances provided by the various Diocesan Resettlement Committees. Of the 38,000 Hungarian refugees to arrive in the United States by December

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554,500 tons of food, clothing and medicine shipped to 51 countries last year . . . 40 million people helped.

# Aid

31, 1957, Catholic Relief Services—N.C.W.C., with the help of the Diocesan Resettlement Committees, placed 22,361. Funds and/or facilities for the movement of refugees and displaced persons were received not only from the Bishops' Fund but from such agencies as the International Refugee Organization, the High Commissioner for Refugees, the United States Escapee Program, the United States Far East Refugee Program, etc.

In a manner reminiscent of the old Migration Aid Societies, every refugee placed through Catholic Relief Services—N.C.W.C. was met at ship-side or airport, provided with transportation to destinations within the United States, given money for meals and necessities, etc. At the end of the inland journey, refugees were met either by the sponsoring individual or family or by representatives of the Diocesan Resettlement Committees. At the peak of the movement of refugees to the United States this task required the full-time services of more than 160 qualified persons.

In connection with the movement of refugees and displaced persons to countries other than the United States, Catholic Relief Services—N.C.W.C.

works closely not only with governmental and intergovernmental migration agencies but also with the International Catholic Migration Committee whose headquarters is at Geneva.

## Wartime activities

Catholic Relief Services—N.C.W.C.'s relief and rehabilitation program began when Europe and the Far East were still struggling in the throes of World War II. The early emphasis of Catholic Relief Services—N.C.W.C.'s relief programs was upon aid to refugees, prisoners of war and merchant seamen. In 1944, for instance, 154 refugee welfare centers were established for Polish refugees. These were located in the British Isles, Egypt, Syria, Palestine, India, Iran, Kenya, Uganda, Tanganyika, Northern and Southern Rhodesia, the Union of South Africa, and Mexico. Programs of aid to other refugees were established in Spain and Portugal. During the same year, the records of Catholic Relief Services—N.C.W.C. indicate, the expenditure of \$2 million made possible shipments of drugs, soap, clinical instruments, emergency operating kits, sewing machines, clothing and shoes, wool and knitting needles and educational and occupational materials for refugee aid. Books and medicines were supplied for a colony of refugees in Wellington, New Zealand; complete dental laboratories for camps in Cairo and Jerusalem; blacksmith tools for a settlement in Kenya; typewriters for a school for refugees in Iran, etc.

To combat idleness, boredom, stagnation and despair, Catholic Relief Services—N.C.W.C. in an 18-month period ending in 1945 shipped more

than \$2 million worth of recreational, occupational, educational and religious articles to prisoner of war camps overseas and to camps for Axis country prisoners in the U. S. and Canada. Hundreds of thousands of items from chemistry sets to college correspondence courses, from prayer books to punching bags, made up these shipments.

To serve those in the merchant marine, clubs for Merchant Seamen including ten in the U. S. A. and 22 in the British Isles were equipped and financed. By the end of the war, more than 500 merchant ships were carrying portable libraries supplied by Catholic Relief Services—N.C.W.C.

Catholic Relief Services—N.C.W.C.'s civilian relief programs began in Malta even while the bombs were falling on that harassed fortress. After Casablanca, there followed the organization of a widespread program of aid to the civilian population of North Africa. Upon the liberation of Italy, a program was begun which today serves approximately 6,250,000 needy Italians. Even while the war raged in Italy, Catholic Relief Services—N.C.W.C. amassed and readied several thousand tons of supplies; the first six shipments of voluntary agency relief supplies to leave America for Italy were almost entirely composed of Catholic Relief Services—N.C.W.C. material. Looming large in these shipments were thousands upon thousands of bales of used clothing and shoes collected in the Clothing Campaign for Italy, the first national drive of its kind conducted by the Catholic Church in America and the forerunner of the annual Thanksgiving Clothing Collections. The shipments were

freed only after direct appeal to the President of the United States and were carried by military transports as "balloon" cargoes to fill our ships carrying ammunition and other war materials.

Within a week after the Normandy peninsula was invaded, a shipment of Catholic Relief Services—N.C.W.C. relief supplies left the U. S. for England for transshipment to France at the earliest opportunity. Following the liberation of France, Catholic Relief Services—N.C.W.C. supplies fanned out from 800 distribution points through the many facilities of the world-renowned and acclaimed Sisters of Charity of St. Vincent de Paul and Secours Catholique.

A review of Catholic Relief Services—N.C.W.C.'s records of those eventful times includes the following entries: one million cans of evaporated milk to France within 90 days; wheat germ, protein hydrolysates, meat extracts to Holland; dehydrated soups, dried eggs, yeast tablets and vitamins to Belgium; the diversion of all supplies in the pipeline for POW aid for distribution in DP camps after V-E day. In connection with the latter, aided by the then FOA (now ICA), a fleet of trucks had been purchased and shipped to Catholic Relief Services—N.C.W.C. bases in Paris and Brussels. Thus the merciful task of relieving the misery of concentration camps was quickly begun when opportunity offered on V-E day.

In addition to effective programs in Austria, Belgium, Germany, England, France, Italy, the Netherlands, Portugal, Spain and Trieste, European programs from 1945-50 included exten-

sive relief operations in Czechoslovakia, Poland, Hungary, Roumania and Yugoslavia. These programs were involuntarily suspended: in Yugoslavia in 1946, in Hungary and Roumania in 1948, in Czechoslovakia in 1949, in Poland in 1950. The Polish Mission of Catholic Relief Services—N.C.W.C. was re-established in December 1957 after six months of trial shipments involving more than \$300,000 worth of supplies which were distributed through the Polish hierarchy without interference from the government. They had to be suspended anew in the fall of 1958.



In the Far East, Catholic Relief Services—N.C.W.C. programs began in the Philippines, Korea, Japan and China. Full-scale relief operations in China were involuntarily suspended in 1949 and the headquarters of Catholic Relief Services—N.C.W.C. moved to Hong Kong. Later, with the complete cessation of operations in China itself, a second distribution base was organized in Taipei. In answer to the historic appeal of President Ngo Dinh Diem to Francis Cardinal Spellman one of the most significant and successful American Catholic relief and rehabilitation programs was inaugurated in South Vietnam. More recently, relief distributions have begun in such countries as Laos, Cambodia, Thailand, Indonesia, Malaya and the Singapore colony.

Aid to the Palestinian refugees in Lebanon, Syria, Jordan and the Gaza Strip began in 1949 and continues today through the facilities of the Pontifical Mission for Palestinian Refugees with headquarters in Beirut.

The largest American voluntary relief programs in Goa, India and Pakistan were begun by Catholic Relief Services—N.C.W.C. in 1950. Central and South America were aided first in late 1954 with the establishment of an American Catholic relief program in Brazil. Countries in this part of the world now aided through Catholic Relief Services—N.C.W.C. include Colombia, Bolivia, Chile, Peru, Ecuador, the Bahamas, Mexico, French West Indies, Jamaica, Haiti, British Honduras and Guatemala. Stimulated by American Catholic aid, the Bishops of six South American countries have organized national Catholic Charities known as "Caritas," a substantial stride toward fulfillment of the social mission of the Church.

A field survey in 1956 of the continent of Africa, covering approximately 20,000 miles and every major country on the continent except Angola and Madagascar, resulted in the establishment of programs of civilian relief in Egypt, Morocco and Algeria, in the extension of emergency aid to Tunis and the expansion of programs in Kenya and Ghana. The survey resulted in the establishment of Catholic Relief Services—N.C.W.C. country missions in four African countries and the appointment of an area director for Africa.

In the last survey of the number of persons included in Catholic Relief Services—N.C.W.C. distributions, made in the fall of 1956, the total of recipi-

ents in all countries reached more than 40 million. At the same time a study of the number of persons, both paid and volunteer, engaged in assisting in Catholic Relief Services—N.C.W.C. welfare programs in all countries involved indicated that figure to be just over 1,100,000. The scope of Catholic Relief Services—N.C.W.C.'s programs is illustrated by the fact that in Italy last year (1957), for instance, in summer camps alone operated by the Pontificia Opera Assistenza and supplied primarily by Catholic Relief Services—N.C.W.C., 845,000 children were served. The extent of personnel available overseas to carry out programs is typified by Caritas-Verband in Germany which has a total diocesan, parish and institutional staff, paid and volunteer, of approximately 249,000.

In the program year ending September 30, 1958, Catholic Relief Services—N.C.W.C. shipped to 51 countries 554,500 tons (one billion one hundred nine million pounds) of food-stuffs, clothing and medicinals valued at \$107,931,600.

Since the inception of Catholic Relief Services—N.C.W.C. in 1943, and including the sums spent in our resettlement work both here in the United States and abroad, as well as the value of the equipment, facilities and services made available by counterpart Catholic voluntary agencies as well as by cooperating indigenous governments, the value of the American Catholic overseas aid program is estimated to approximate *one billion dollars!* Of this total 747½ million dollars represent the value of actual relief materials dispatched overseas from this country under the auspices of Catholic Relief Services—N.C.W.C.

### Actualities of finance

While since 1947 the annual Bishops' Fund Appeal has provided the basic funds enabling the continuance of Catholic Relief Services—N.C.W.C., the size and scope of the official American Catholic overseas aid programs have gone far and beyond those which could be completely financed by voluntary resources. The availability of U. S. Government surplus foods acquired by the Commodity Credit Corporation under price support purchase legislation and the enactment of Public Law 480 under which such food-stuffs were declared eligible for donation to accredited voluntary overseas relief agencies; the annual clothing and other gifts-in-kind appeals; grants from governmental and intergovernmental and, to a limited extent, private foundations; these are the kinds of supplementary financing and supply which make possible the largest program of overseas relief and resettlement ever conducted under private auspices. If, in fact, voluntary overseas relief agencies are to have more than a token impact upon world conditions, they must both merit and secure governmental and/or intergovernmental assistance.

To those unacquainted with the subject, few things seem more simple than giving aid to the needy. On a small scale and on the basis of neighborhood or community needs, the complexities involved are limited to the priority of needs in terms of available resources and the precautions necessary to avoid establishing permanent patterns of dependency. However, in an overseas operation of the size and scope of the Catholic Relief Services—N.C.W.C. program a host of

additional problems arise. Among these problems are:

1. The establishment of country criteria of need and their application. In almost every country this has required the development of a ration system related to authenticated needs. In the more highly developed countries, the existence of organized Catholic charitable counterpart agencies minimizes the extent of this problem. In the more underdeveloped areas, a combination of government and parish "poor" lists form the basis of the determination of needs; in others, the intimate knowledge of the parish priest of needs forms the basis. In missionary areas, the closeness of bishops and priests to peoples makes it possible for them to provide information and knowledge unparalleled by even governmental sources.

2. The setting up of safeguards to insure the minimum impact upon commercial markets of distributions. (In one country alone during the 1958 program year Catholic Relief Services—N.C.W.C. aid amounted to 173,500 tons of supplies.)

In order to minimize the possibility of foodstuffs reaching commercial markets, Catholic Relief Services—N.C.W.C. operations emphasize the distribution of foods in prepared, i.e., immediately consumable forms. It was this emphasis which led to the practice of the Pontifical Relief Organization in Italy of converting American surplus foodstuffs into a host of products more acceptable to the Italian diet, such as chocolate milk, pasta, cheese wedges, biscuits. Dried milk is used as a basic ingredient (20 per cent) in the POA's manufacture of morta-

della—the large Italian sausage. It was the same emphasis which led Catholic Relief Services—N.C.W.C. to organize a chain of small noodle factories in Hong Kong in which surplus flour from the United States is now converted into very acceptable Chinese noodles. Likewise, milk distributions in countries such as India and Pakistan are channeled through distribution centers at which the needy receive daily rations of reconstituted milk in their own cans, pans, pots, bottles—in fact, in every conceivable type of container. It is for maximum distribution controls that almost one hundred feeding stations are now operated by Catholic Relief Services—N.C.W.C. in South Korea; at these stations cornmeal and milk are combined into a hot "mush" and distributed daily to more than a quarter of a million needy for immediate consumption. It is likewise for control reasons that Catholic Relief Services—N.C.W.C. feeding operations emphasize the use of schools, institutions and parish distribution centers.

### Fears groundless

3. The prevention of long-term, detrimental patterns of dependency. Of late much has been said and a considerable amount written about the purported harmful effects of "give away" programs. Catholic Relief Services—N.C.W.C. programs, among others, essentially are "give aways." In my opinion the apprehensions of the possible ill effects of properly organized and controlled free relief distributions are largely academic. The continuance of relief distributions past the time of need should be not only criticized but

condemned. Yet, I find it difficult to imagine any intelligently administered relief operation being perpetuated beyond the point of need.

While this type of criticism stems almost entirely from private quarters, a different kind of fear about voluntary agency distributions permeates some governmental quarters. What will happen when it becomes necessary to terminate distributions of, for instance, foodstuffs which are identified as gifts from the people of America? Will the present gratitude of the needy peoples of the world then turn to resentment? These are the questions most often asked by those in charge of the administration of our government's surplus foods disposal programs.

So far as patterns of dependency are concerned, let me say that I have found that there are infinitesimally few persons in real need who do not primarily wish to be able to stand on their own feet and to be able to take care of their own needs. In France, Germany and the Low Countries, voluntary agency programs have been cut back almost completely. Yet, at the height of these programs they encompassed more than 4 million people. There is no evidence of lingering patterns of dependency. There is no evidence of resentment at the drastic cut in the size and scope of these programs.

In Korea within the past year, the participants in three assimilation projects sponsored jointly by the ROK and U. S. governments notified the Korean Mission Director of Catholic Relief Services—N.C.W.C. that, due to the completion of the projects and the ability of several thousand families to

support themselves now, additional relief allocations would no longer be necessary. In South Vietnam, with the improvement of economic conditions in the several hundred new refugee villages, Catholic Relief Services—N.C.W.C. was able to reduce its relief distributions by more than half during the past year. The focus of need in South Vietnam is now shifting to the plight of the aborigines of the central plateau of this country—an unmet need heretofore.

There may be isolated or individual instances of resentment but voluntary agency leaders are convinced that the masses of needy peoples and their leaders, grateful at being assisted in their hour of need, understand and appreciate—indeed, in many instances have participated in—the decisions leading to program cutbacks or terminations.

#### **Agricultural surpluses used**

I might mention that while the mass feeding programs overseas which originated in our burdensome agricultural surpluses have accomplished immeasurable good, they will represent little more than expediency should they not be continued by our government so long as conditions require them. Surely, the great heart of America measured either governmentally or privately does not beat in proportion to the size of our food surpluses and the heavy burden of storage costs these thrust upon the taxpayers! There are few of the well-informed leaders of the underdeveloped countries of the world who do not know that the mass feeding programs made possible by surplus foods from America represent as well an outlet for the disposal of these food surpluses.

## Program impact

The value of the American Catholic overseas aid program is enormous in terms of recipient impact. When Congress voted Public Law 480, making surplus foods and freight funds available to voluntary agencies, it performed an humanitarian task which every hour of every day throughout the year is making itself felt in country after country around the world. The unique partnership which has developed between our government, as represented by Congress, and the voluntary agencies of the American people has given strength to the democratic ideal throughout the world. This has been so because there has been concretely demonstrated the way, in a free society, that the agencies voluntarily supported by the people of the United States work side by side with the official representatives of the duly elected government of the United States. This pattern has stood out in marked contrast to the activities of the totalitarian countries which submerge the individual under the mass of the all-powerful state and suppress the very type of agencies, the growth of which our government not only fosters but accepts in partnership. To those who would learn a lesson of the way of the West this has been an illuminating concrete experience.

I have traveled several hundred thousand miles in the past five years conducting inspections of our distributions throughout the world. I have seen the impact of these programs. I have seen the surplus products of our Midwestern farms relieving misery in the heart of Pakistan; I have seen our sharing of the bounty of America's

produce bringing smiles of friendship to the faces of those in southern Italy who, in despair, had been flirting with communism; I have seen the incredulity with which these gifts from the people of America were first greeted in the Far East where the whole concept of aid to one's neighbor had not previously existed; I saw this incredulity replaced with confidence and appreciation when it became clear that these gifts were made available simply and purely by the desires of the American people to help their fellowmen wherever in need; I have visited remote towns and villages in Spain to be told by almost every school child in a most grateful way that the milk and cheese and butter which they had been receiving each day at noon in the schools were gifts from that great country across the sea, America.

While a minimal black market in voluntary agency relief supplies exists, it is nevertheless true that never before in the history of international aid have programs of such scope and impact been carried on with so little being distributed improperly or reaching the wrong hands. I have seen the devotion with which those supervising these programs carry out their responsibilities. I have noticed the tedious and mounting detail with which they carefully cope in order to carry on faithfully and fully the obligations of supervision and reporting.

During the past two years our government has been most cooperative in approving projects sponsored by voluntary agencies for the use of quantities of surplus cotton. Such projects, involving the manufacture of quilts, sleeping pads, mattresses, bed sheets and pillowcases, are being administered by

Catholic Relief Services—N.C.W.C. in Korea, Germany, Italy and Spain.

If these food and fibre programs could be complemented through the availability of counterpart funds in various countries which could be utilized for the development of self-help projects, then American voluntary aid programs could attain more permanent objectives. The goal of every voluntary agency is not only to assuage the hurts and the needs of today, but to contribute through self-help projects to the more permanent welfare of the world's needy. Were counterpart funds available, this goal would be just that much closer to realization. Adequately financed self-help projects on a community basis could have lasting impact upon the economic structure of the underdeveloped countries and would bring that much nearer the day when

more of the world's needy would be able to care for themselves.

No voluntary agency has at its disposal the financial resources which would be necessary to carry on the type of project envisioned on the necessary scale. Yet, the contribution which trained voluntary agency personnel can make can hardly be ignored.

These are the programs which form the present—and it is hoped the future—of American Catholic voluntary overseas aid. They are vital to the stability and progress of our world as we know it. They have become a bulwark against further communist encroachment. It is my hope that they will remain close to the heart of all Americans to the end that the time of banishing grave human needs, which now seems so far away, will become nearer and more attainable.

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## Books

**THE CATHOLIC VIEWPOINT ON MARRIAGE AND THE FAMILY.** By John L. Thomas, S.J. Hanover House, Garden City. 191 pp. \$3.50

**THE CATHOLIC MARRIAGE MANUAL.** By the Reverend George A. Kelly. Random House, New York. 240 pp. \$4.95

**THE FAMILY CLINIC.** By John L. Thomas, S.J., Newman, Westminster, Md. 336 pp. \$3.95

Although these three books all treat the same theme, *i.e.*, Catholic marriage and family life, they do so from quite different aspects. As publishers' products they are not substitutes but rather complementary companion pieces which taken together offer a fairly complete view of the vocation of marriage.

People familiar with the writings of Father Thomas know that he has con-

stantly and consistently advocated the necessity of understanding the nature and purpose of marriage as a social institution founded by God and raised to the dignity of a sacrament by His Son, Jesus Christ. He maintains that only then will the contemporary Catholic living in our modern American culture be able to appreciate the ramifications—the role of sex, the indissolubility of the marriage contract, etc.—which now appear as isolated and individual problems or, what is worse, frustrating norms and irrational regulations. Material which had previously appeared in periodicals has been incorporated into this work but this was necessary to insure the integral presentation of the author's thesis. The same reason urged the detailed treatment of ecclesiastical legislation on marriage, which only bores the vast majority

of readers. It is unlikely that this book will be adopted as a text for the course on marriage and the family because of the special and limited approach but no teacher claiming to present the Catholic viewpoint can afford to have this scholarly book missing from his own library.

*The Catholic Marriage Manual* is on the level of the practical and preparatory. It would be primarily of value to people of the Pre-Cana and Cana age groups. One chapter stresses the geriatrics viewpoint and the empty nest but even here the necessity of preparing for the final phase of married life during the productive years is prominent. Added to the practical approach presented in the body of the book is an appendix offering the Mass on the day of marriage and special prayers for the memorable occasions which develop during the maturing years of a successful marriage. This book is the fruit of a scholarly background and a broad experience as a priest; the emphatic exposition of the spiritual viewpoint is most timely and should contribute greatly to offset the current flood of writing on the physical aspects of sex. To avoid the impression of belittling the physical union such a book could urge that engaged couples visit a Catholic doctor not only for a thorough physical examination but for any needed instruction to insure a complete understanding of the marital act.

Prudence dictates the postponement of the author's acceptance of the direct cause and effect relationship between alcoholism and broken marriages. The author's conclusions are obviously based on Father Thomas' data. However, the research at Yale indicates that alcoholism may only be a proximate cause—the more remote and basic cause being found back in the alcoholic spouse's family circle. It appears that from a personality standpoint potential alcoholics were poor marriage risks in the beginning and that the marriage situation may have triggered the alcoholism.

An airline's hostess, noting the title of Father Kelly's book, inquired about its value, since her marriage was imminent. The answer—a genuine recommendation—

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is also offered to all engaged and married couples who are seriously and sincerely aiming at success in marriage.

*The Family Clinic* is a compilation of Fr. Thomas' weekly column which appears in many Catholic papers throughout the nation. At the moment the daily press is encouraging a popular cult which thrives on the succinct and clever answer of columnists, especially where marriage and sex problems are concerned. This reviewer highly approves turning to good use—even sanctifying when possible—such popular movements. The peril in this approach is that individuals will attempt to find answers to personal problems in another person's situations. This is a very hazardous procedure since similar situations will not be identical situations. The saving feature in this instance is that Fr. Thomas invariably reduces his answers to the underlying principles involved.

COSMAS F. GIRARD, O.F.M.  
St. Bonaventure University  
St. Bonaventure, N. Y.

**THE MORAL BASIS OF A BACKWARD SOCIETY.** By Edward C. Banfield. The Free Press, Glencoe, Ill., 204 pp. \$4

A village in poverty-stricken South Italy is the focus of this small community study. Employing standard research procedures, Banfield tried to discover the factors that account for the peasants' perennial incapacity to cooperate in securing the common good of the community. In a social climate marked by suspicion, envy, pessimism and poverty, an amoral fixation on securing material, short-run advantages for one's nuclear family destroys solidarity and frustrates all attempts to secure group action from without or within the community. Although various factors of a psychological, social and economic character appear operative in promoting this segmented selfishness, it is far from clear how the situation can be remedied. Diagnosis and prognosis are gloomy. This study is a valuable contribution to our understanding of Italy's Mezzogiorno.

## Letters

### "Property in the American Environment"

The article by Father Duff, entitled "Property in the American Environment" is a perfect example of the constructive function of SOCIAL ORDER.

Too few Americans realize our duty to push forward the boundaries of Catholic social thought. While the social principles of the Church are unchanging, the practical problems of each age are often different. Hence the exercise of the virtue of prudence calls for re-examination of old applications and a constant scrutiny of current situations in the light of these principles.

While I recognize the outstanding merit of Father Duff's contribution, I do not feel that we are here confronted with an "either/or" proposition. While retaining our institutional sources of security, we

should still seek to promote effective diffusion of private ownership, particularly of productive wealth, as a safeguard for freedom. Institutional arrangements should never completely supplant private initiative and the independence accruing from ownership. Granted we will never achieve the state envisioned by the distributists, it is nonetheless wise to keep pressing for the values they espoused.

JOHN F. CRONIN, S.S.  
Assistant Director  
Social Action Department,  
NCWC  
Washington, D. C.

... The considerations presented in the article "Property in the American Environment" should be read by all who teach

social morality and who would like to talk about property otherwise than through their hats.

(REV.) GERARD DION

Director,  
Industrial Relations Department,  
Laval University, Quebec.

•  
Congratulations on your lucid and enlightening article on "Property in the American Environment."

JOHN C. FORD, S.J.  
Catholic University of America  
Washington, D. C.

•  
I enjoyed very much the Editor's excellent article "Property in the American Environment" (January, pp. 1-31).

Conceding his greater knowledge of the European mind, I think he was right in giving his hosts a picture they need of American economic life. I agree that this mind too often gets off to a conventional criticism of American culture—its materialism, its cheapness, its superficiality—while what their world admires and wants more than anything else is a better standard of living, better distributed, with greater freedom for all classes. Our system, better than any other known, has succeeded in this.

Nevertheless, the article raises in my mind some fundamental issues of Catholic social philosophy. The article has helped me in seeing my past differences with the Editor a bit more clearly and maybe I can put them better now.

1. The Editor is inclined to accept the existing American economic and social system as consistent with and perhaps an embodiment of Catholic social philosophy. He would seem to say that particular principles, for example those of property, are to be used as criteria for judging the American system only with great caution.

From the standpoint of method I agree with the Editor. A principle applied to our present society will lead to different policies than the same principle applied to our society 50 years ago or to a society like Switzerland.

2. I think the Editor "over-identifies"

with the American system and that this is a danger. The system is largely the outcome of a secularistic philosophy. Catholic social philosophy has had little to do with its development. How much it has contributed is a question for some debate. Labor relations is the area of our greatest contribution. One of the dangers of Catholic philosophers saying we are just like you is the loss of the criticism we can offer by being different.

Our differences should enable us to question what Galbraith calls the "conventional wisdom." Thus I see our affiliations with the existentialists, with Fromm, Riesman and other such critics of the conventional wisdom as worth developing.

3. I think differing educational backgrounds explain my differences with the Editor. With his Catholic education he is inclined to show that this does not make him an entirely different sort of American. Mine has been entirely in non-Catholic institutions. I am conscious, therefore, of the dissatisfaction that the secularist has with his system: with its lack of values, its superficiality, its lack of purpose. I see people like Riesman, Fromm, Galbraith urge criticisms which I feel could come from a Catholic view of things as well as from their secularistic reactions to their own secularism.

As you see, I am not really criticizing the article but what I identify as the philosophy behind it. I was reading *The Affluent Society* at the same time and this may help explain my reactions.

Incidentally, I have learned a good lesson from Galbraith. He says that one has to play by the rules of the game, one of which is not to criticize the "goals of the American people." This means that anyone proposing to suggest his own goals stands in the weak position of saying that the goals of many people are wrong, those of one person, right.

I suppose the conclusion is that these positions of both the Editor and of myself are proportionally true and useful. I would like to see the positions clarified by more discussion.

WILLIAM F. KENNEDY  
University of California  
Goleta, California

... I do think that the United States information service and agencies with related purposes could hardly serve their purposes better than by providing a wide dissemination of this article.

PAUL G. REILLY

New York, N. Y.

... The picture of corporate business concentration in the United States struck me as a very able synthesis, fully justifying the questions you raised as to the role of private property under modern conditions. And the case for the need of large capital concentration today should have proved a sufficient answer to any surviving McNabbites or other foes of the machine as such.

But there were certain points which left me less satisfied. I got the impression, though of course it was never stated in so many words, that the case for private property stands or falls according to the survival of the subsistence farm or the corner grocery store. Surely that is not a legitimate inference; the large industrial and commercial corporations are still private and thus form a mighty obstacle to the complete political domination of the economic order. And a great deal of private ownership in the future will have to be in the securities of the corporations.

Nor does it seem necessary that this type of ownership should remain rather nominal, as in many instances it undoubtedly is today. There is no necessary reason why the individual shareholder in a corporation should be any more helpless than the individual voter in a democratic republic such as ours. And the function of the shareholder, I believe, could be much improved by a needed reform of our corporation laws, both to prevent undue expansion and undue complexity of structure and to put some desirable restraint on the powers of management. This is a subject to which I hope Fr. Paul Harbrecht will give some consideration.

PAUL V. KENNEDY, S.J.

West Baden College,  
West Baden Springs, Ind.

### Kelso-Adler rejoinder

1. To Mr. Mortimer Adler and me the article seems not to recognize the possibility that the growth of "countervailing forces," which are taking the place of private property may be but a step on the road to totalitarianism.

2. In stating, as you do in one of your footnotes, that the program of our recent book, *The Capitalist Manifesto*, would require a dictatorship of police, you seem to overlook the fact that the alternative socialist form involves the use of the same police forces *without* the effective protection against them which property can provide. As Milovan Djilas points out in *The New Class*, this results in a tyrannical government. From our own standpoint, we think it is quite in error to say that the program of *The Capitalist Manifesto* involves anything but a minimum of interference with individual action, and this only in those instances (sanctioned by Mill in his essay *On Liberty*) where the activities of individuals will necessarily injure others. With due respect to your comment, it must be acknowledged that the actual machinery for bringing about the program of the capitalist revolution is not clearly etched in *The Capitalist Manifesto*. This was simply a problem of space. Mr. Adler and I have recently completed the first draft of a rather long essay (75 letter-size pages) on the financing program. I believe this essay will throw considerable light on the matter.

3. We feel that your article fails to recognize that unless the distribution of wealth is based upon property, and unless the distribution of productive property among households is such as to make this possible and workable, thus giving to the individual the wealth he actually produces, wealth will be distributed on the basis of power. To abolish private property in the means of production under modern conditions is to return to the law of the jungle.

4. The article seems not to recognize the many implications of the dual theory

of value: the theory that capital, as well as labor, is a producer of wealth. It is our belief that the entire edifice of fashionable economics is either built upon or seriously distorted by the labor theory of value and that there is relatively little of present analytical economic theory that will not require revision in the light of the dual theory of value.

5. In the transition from a power diffused society (which we believe entirely impossible under industrial conditions without effective private property widely diffused) to a totalitarian society, with political and economic power concentrated in a small group of bureaucrats, it seems normal that the society would look and function essentially as a free society until that critical point is passed in which a government administration, regardless of written documents, court systems and so forth, can perpetuate its tenure. Once that point is passed, and it seems that it would happen relatively quickly, the character of the society would suddenly and violently change. Thus, the belief that, notwithstanding the attenuation of private property in the American economy, we seem to have retained all our free institutions may be a very misleading one. In short, the American tradition of "throw the rascals out," which you mention at page 14, cannot survive when both political and economic power are concentrated in government as they must be without the institution of property.

6. In your article, you mention the distributist. We do not know whether you would class the capitalist revolution as set forth in *The Capitalist Manifesto* as a distributist proposal. If so, we believe you do not understand us. What distributists proposed was on its face absurd: to protect the institution of private property by invading it! The program of *The Capitalist Manifesto* involves only the broadening of the ownership base by guiding the vast and expanding capital formation of the future so that it will take place simultaneously with the creation of an increasing proportion of viable capital estates.

7. We believe that the article is in error

in suggesting that it is possible to protect the status and freedom of individuals without the institution of private property.

8. It seems to us that the article does not take cognizance of the extent to which the individual is invariably submerged when the only power diffusion lies between big business, big labor, big agriculture, big government, and so forth.

9. The article seems to misunderstand the proposals of *The Capitalist Manifesto* for broadening the ownership base. This program includes the gradual transforming of substantially all new capital formation into common stock financing, making stock ownership effective, entitling the stockholder to all of the wealth produced by his equity in the capital, and putting the acquisition of capital within the reach of men *without savings*. You speak of the lack of power of the stockholder derived through voting his stock. This suggests that you have failed to consider the cumulative power of all of the little stockholders who must be persuaded to invest if new capital formation is to be possible for a particular corporation. To illustrate, the power of a particular voter in a national election is also negligible, but if an administration antagonizes enough voters, each of whose affirmative act is required to put it back in office, it will be defeated at the polls. The requirement for paying out all of the net income of business corporations, accompanied by even more effective alternate ways of achieving new capital formation, is the essence of restoration of effective private property to an industrial economy. The affirmative power to vote the stock is negligible compared with the power of the stockholder to refuse to invest when such investment is the only means of corporate growth.

10. We think that the article fails to recognize the distributive implications of the amorphous ownership of the principal factor of production—capital—in a non-private-property economy.

11. We hope that you will again examine the ideas set forth in *The Capitalist Manifesto*, for we think that you should recognize in its proposals—particularly in its dual theory of value and its statement

of the principles of economic justice—that it is not just an addition to economic thought, but in fact a *new economics*; that this new economics is the economic *organon* for which Catholic thinkers have been seeking in order that they may apply the idea of private property to an industrial society.

LOUIS O. KELSO

San Francisco, Cal.

•  
I read "Property in the American Environment" with interest.

Social mobility, the opportunity for a man to do better paid and more responsible work than his father did, is not in fact (I can give you plenty of details if you are interested) very different now in America than what it is in Europe, or even in the Westernised communities in Asia. It is an important fact, however, that the American *thinks* he has more opportunities.

Your discussion of the part which trade unions can play in determining national economic policies is far-reaching. But I think that you should look into the Netherlands Economic Council. Indeed, I wish that I knew more about it myself. This seems to me to be the only successful example of wages being settled by a real national agreement, to which government, trade unions and employers are all parties.

I do not like private pension schemes. There is firstly the simple economic argument that they do a great deal to reduce mobility. Also, I think that it is bad social justice to make a man too dependent upon one business. His savings for his old age should be under his own control, and not the control of his employer or the state. I feel strongly about this. The real sinfulness of those who condone what they call "inflation" (the word is a misnomer, because inflation of the money supply is not now in fact the cause of rising prices) lies in the fact that they are plundering the savings of poor men, and compelling them to rely on the state or their employers, when they would much prefer to be independent.

I do not look forward without apprehension to a world in which nearly all

employment is controlled by the state and a few big corporations.

I feel that the number of men who would be willing to be outstandingly critical of the social order would decline seriously and such a social order might need criticism.

You say that spiritual remedies can do a great deal for the property-less state of the majority of men. I think that this is true. But, in view of the well-known tendency of mankind to relapse into sin, I think that it is unwise to rely on them. I would prefer to have social institutions which provided for a permanent wide distribution of property.

You should certainly mention, if only to say that you disagree with it, *The Servile State*. Though written in 1912, I regard it as the outstanding challenge to our civilization, and many of the points which it raises are, in my opinion, still unanswered; including its unforgettable conclusion—"either we restore the institution of property, or we restore the institution of slavery—there is no third course." In a future generation I can see even well paid Americans bound for life to one employer by training and pension schemes, losing their freedom and gradually becoming high-grade industrial serfs.

COLIN CLARK

Oxford, England

•  
I commend your excellent analysis of "Property in the American Environment" to students of the social sciences. It documents the growth and evolution of the American economy to its present state. Our freedom, respect for the individual, and use of democratic processes have been decisive in attaining this distribution of income and standard of living. And the history of our development is in striking contrast to the inhuman pressures which the Russian and Chinese rulers have been putting upon their peoples to speed up industrialization.

I would like to stress your point that the moral principle which must govern both the accumulation and use of property is to view it as *means to an end*. We know very well that material goods are designed

by the Creator to serve the human needs of all His creatures, and that it is a perversion of their purpose to make them ends in themselves. Yet it has never been easy for men to apply the rule—use material goods in so far as they aid your total human development but never let them master you.

In past ages under less complicated systems of holding and using property, without great accumulations of capital and easy sources of credit, moralists used the concept of *superfluity* to direct use of property. What one accumulated beyond that required to provide for himself and his dependents according to their station in life was considered superfluous. With this one was obliged to be generous; and the needy had, as it were, a lien on superfluous wealth, not in strict justice but in charity. Even today the individual must govern the use of his possessions by the old rule. Superfluities should be dispensed with charity; one must practice beneficence and magnanimity.

However, the concept of superfluity scarcely has relevance to the use of modern corporate wealth. Economists have toyed with the idea of *optimum size* as a reasonable limit to the extension of business operations, with development beyond the optimum to be regarded as superfluous or uneconomical. But they have been unable to discover criteria to determine the optimum. Business today, as the article demonstrated, is too dynamic to fit itself into that kind of a category. The big corporation is spending millions on research and product development, looking to expansion as far ahead as 50 years.

Are the sums put into research and new developments excessive; are they a misuse of corporate wealth? Who that understands the need to exploit new resources like atomic energy, to improve productive methods with new techniques like automation, to produce enough for the expanding population of the world and to raise the standard of living of the poor, would dare to say that wealth put to these purposes is superfluous?

The state, of course, keeps its watchful eye on these developments, and has devised a system of corporate taxation to collect

what it considers to be superfluous. But looking at what its managers call the logic of the modern corporation, the moralist today finds that he can make his most promising contribution with principles to guide the use rather than the accumulation and possession of corporate wealth. Vested as it is with great power, the modern corporation dare not evade its responsibilities for the common good. As Berle points out in concluding his chapter on Corporate Power and Modern Capitalism, corporate management must

so conduct itself that it retains the confidence of its customers, its labor, its suppliers and the sector of the public with whom it deals. In the corporate situation this is the equivalent of the "just consent of the governed." The corporation is now, essentially, a nonstatist political institution, and its directors are in the same boat with public office-holders. If ever corporate managers base their continued tenure on power and not on reason, the end is disaster. (*The 20th Century Capitalist Revolution*, New York, Harcourt, Brace, 1954, p. 60)

Catholic social thinkers need to elaborate the ideas of *Quadragesimo Anno*, for example, that

the duty of owners to use their property aright falls under other virtues [than commutative justice], particularly, social justice. . . . Just as the unity of human society cannot be founded on an opposition of classes, so also the right ordering of economic life cannot be left to a free competition of forces. The institutions of society ought to be penetrated with social justice, made effective by the establishment of a juridical and social order which will give form and shape to all economic life. And social charity ought to be as the soul of this order.

Truly in America we seem to have come a long way towards implementing these ideals. Catholic social thinkers can render great service by continuing to bring social moral principles to bear on the problems of our economy and evaluating American economic development in these terms.

HENRY J. WIRTEMBERGER, S.J.  
Dean, Xavier University,  
Cincinnati, Ohio

### Value received

Please renew my subscription. I consider it a steal at \$9 for three years. Congratulations to all at SOCIAL ORDER for a fine contribution to social thought and the social order.

(REV.) WENDELL HOGAN, O.Carm.

Whitefriars Hall  
Washington, D. C.

### "The Representative Republic"

I would like to comment further on *The Representative Republic* that was so well reviewed (November, p. 449) by Mother Patricia Barrett.

Professor Ferdinand A. Hermens began his probe of democratic political institutions prior to 1937. As the reviewer remarked, his analysis is keen; he has probed deep to present the "how" and the "why" of those democratic institutions that work well or not so well. As a result of this research of these concrete political institutions, he has acquired, for some time now, a great admiration for the Federalist Papers and, in particular, for the ones written by the constructive James Madison. Therefore, in nearly all of his writings, he refers quite frequently to these papers. I somewhat regret that there wasn't an introduction in *The Representative Republic* that would be an essay on the Federalist Papers and on the times in which they were issued.

With a superficial reading, it may seem that Hermens has a dislike for what is called vocational groups or organized industrial municipalities. He is not at all adverse to a reorganization of social and economic life on a vocational basis. He is adverse to a romanticism under whose influence this vocationalism would supplant political life or interfere with its proper channels of integration. Those who are interested in vocationalism are only realistic when fully aware of the priority of the political; that socio-economic municipalities are parts of society and will always have centrifugal tendencies; and any representation on a vocational basis can result in placing these anarchical tendencies where an agency of unity is naturally re-

quired. I believe those who have an interest in vocationalism should closely study *The Representative Republic* so as to see both the contrast and the relationship between social institutions and political institutions. Vocationalism (or representation) wrongly understood can easily lead to an ill-constituted republic.

I believe a succinct presentation of the main ideas and conclusions of *The Representative Republic* should be made available for those readers who haven't the time to ponder sufficiently this work.

JAMES R. SCHNEID

Louisville, Ky.

### And in the far Pacific

A short time ago I received a request from one of our missionaries, Fr. Martin de Porres Clarke, for pastoral and theological magazines. He is stationed at a small mission in the Ryukyu Islands and has very little reading material. He asked especially for SOCIAL ORDER. Is there any way that you could supply him with a monthly copy or could you insert a notice in your magazine asking for a re-mailer?

FR. MARK FRAZIER, O.F.M., Cap.

Mary Immaculate Friary  
Glenclyffe  
Garrison, New York

We receive regularly appeals from missionaries to find donors for subscriptions. Latterly, we have been asked to send copies of SOCIAL ORDER to Poland. Gifts for this purpose are most welcome.—Ed.

### Appeal Heard

In answer to the "Pass the Ammunition" appeal which appeared in the January, 1959 issue kindly enter a subscription to your magazine in behalf of Rt. Rev. L. J. Chittor and bill me. I am most happy to lend some concrete effort to your good work.

ERNEST R. THERRIEN

St. Francis College  
Biddeford, Maine

SOCIAL ORDER

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## Msgr. George G. Higgins

(Director, Social Action Dept., N.C.W.C.)

*Writes in "The Yardstick":*

"SOCIAL ORDER is literally unique in the field of Catholic journalism in the United States. It is the only Catholic magazine of general circulation (as distinct from the professional journals of the so-called learned societies in the field of economics and sociology) which is devoted exclusively to the application of Christian social principles to the problems of the day.

From every point of view SOCIAL ORDER is a credit to American Catholicism. Its editor, Father Edward Duff, S.J., is not only a first-rate scholar, with a splendid academic background in the social sciences, but also a highly competent journalist. He has an instinctive flair for good writing and the native ability, reinforced by extensive reading and traveling, to sift the wheat from the chaff and to put out a magazine which is always up to the minute in content and style but never superficial or merely ephemeral.

Father Duff and his associates deserve the wholehearted backing and support of the entire Catholic community in the United States. Unfortunately, however, they are not receiving this support at the present time. The circulation of SOCIAL ORDER is less than 5,000—a mere drop in the bucket when you stop to consider that there are almost 40 million Catholics in the United States. Surely there is no reason why this figure of 5,000 cannot be doubled within the near future.

Why not enter into the spirit of Catholic Press Month and take out a subscription right away or, at the latest, by the end of February. The address of SOCIAL ORDER is as follows: 3908 Westminster Place, St. Louis 8, Missouri. The annual subscription rate, by the way, is only \$4.00 per year, which is certainly very reasonable by today's inflationary standards and could, I suppose, be cited as an indication that Father Duff, though a hard-headed journalist, is a soft-hearted economist or cost accountant."

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